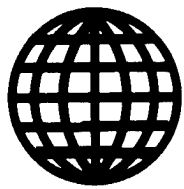


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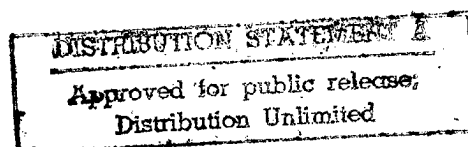
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# ***JPRS Report***

## **East Asia**

***Southeast Asia***

19980113 193



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# East Asia Southeast Asia

JPRS-SEA-92-005

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17 March 1992

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# **Economic Conditions, Taiwan Investment Viewed**

92A50116A Taipei CH'EN-T'AN in Chinese  
Jul 91 pp 48-53

[Article by Hsiao Cheng-hsi (5618 2973 3556): "Economic Survey of Cambodia"]

[Excerpts] [passage omitted] In 1987, taxation was imposed on 10 percent of output. The new tax system was revised in 1989 as follows:

When rice output exceeds 2.5 metric tons per hectare, the peasant is to turn over 65 kilograms to the government for each hectare he farms. Even when per-hectare output is less than one metric ton, he must still turn over 25 kilograms. The idea behind the revision is to safeguard peasants who farm small plots of land.

**Table 1 Cambodia's Rice Output**

Year	Output (in 1,000 tons)	Area Under Cultivation (in 1,000 hectares)	Average Yield
1983	1,675	1,694	0.98
1984	1,113	1,245	0.89
1985	1,680	1,461	1.15
1986	2,000	1,525	1.31
1987	1,814	1,428	1.27
1988	2,400	1,801	1.33
1989	2,200		

Source: Ministry of Agriculture, Cambodia

**Table 2 Output of Other Crops and Animal Husbandry (in thousands of tons)**

Item	1967	1980	1982	1984	1986	1988
Corn	149.5	122.7	75.0	59.3	49.9	46.9
Potato	12.6	78.0	38.1	39.8	89.0	77.9
Tree Yam	23.0	291.0	92.0	41.9		
Soybean	7.3	3.1	3.9	8.4	5.3	11.7
Sesame	9.8	1.3	4.8	4.9	6.9	3.3
Peanuts	20.8	2.8	7.5	4.8	3.3	
Vegetables	430.0	262.8	162.0	139.9	155.9	266.5
Cattle (in millions of heads)			1.5	1.9	2.3	2.6
Pigs (in millions of heads)				1.0		1.6

## **Timber Industry**

Today timber and rubber are the top Cambodian exports. Trees may grow to more than 50 meters on the slopes of (Hsiang-shan) in the southwest, which face the sea and receive ample rainfall, while pine trees blanket the more mountainous neighboring areas. In addition, broad-leaf trees, some as high as 30 meters, can be found on hilly areas in the north, towering over a dense jungle of trailing plants, bamboo, palm trees, and other vegetation. The highland in the east is covered with grass and deciduous trees.

Extensive deforestation took place in the last 20 years partly because firewood is still the primary source of thermal energy in Cambodia. In the northeast, a broad expanse of forest has been chopped down by the Vietnamese.

While plains account for three quarters of the nation's total area, about 70 percent, or 13 million hectares, of Cambodia is covered with forests. That most of the forests have survived has much to do with the pattern of population distribution; less than 14 percent of the nation consists of arable land and it is precisely there that the population is concentrated. The rest of Cambodia is sparsely populated. Deciduous forests, in particular, are widely distributed. The most prevalent deciduous tree is the teak, which is well adapted to the alternation between the dry season and rainy season.

Statistics show that Cambodia's timber output amounted to just 90,000 cubic meters in 1985 but rose to 130,000 cubic meters in 1986, 40 percent of it planned state output. The production target for 1987 was 150,000 cubic meters, yet the actual output was 167,000 cubic meters (of which 30,000 cubic meters were exported.) By 1988, output was a high 280,000 cubic meters, of which 40,000 cubic meters were exported to Vietnam and the Soviet Union, 2,100 cubic meters to Czechoslovakia, 1,000 cubic meters to Bulgaria, and 700 cubic meters to East Germany. But this still represents a mere 77 percent of the output in the late 1960's.

As for rubber, nowadays Cambodia boasts seven rubber plantations and six rubber plants, the largest of which is the 7 January rubber plant across the strait from the capital of the province of Kompong Cham. Its output for 1990 was 12,000 metric tons.

In the 1960's, as many as 50,000 hectares were planted with rubber trees and latex replaced rice as the top export. According to statistics for late 1988, however, 41,580 hectares were planted with rubber trees, and most rubber was involved in barter trade with other nations in the Council for Mutual Economic Assistance [CEMA]. [passage omitted]

**Fishery**

[passage omitted] Fishery is currently an important industry in Cambodia. Inland fishery centered on the Tonle Sap is booming. Like a natural reservoir (the largest freshwater lake in Southeast Asia,) the Tonle Sap is 3,000 square kilometers in area and measures 150 kilometers from north to south and 32 kilometers at its widest point from east to west. During the rainy season, the surface of the lake may reach 7,500 square kilometers. After the water level in the lake has receded, large quantities of fish and shrimp that have travelled up to the lake from the Mekong River are trapped in it—waiting to be caught. The annual catch is about 170,000 tons.

Fishing boats on the Tonle Sap do more than just catch fish, their other functions being fish breeding and transportation. The cabins beneath the decks have been

converted into fishponds. The local fishermen say, "When we catch a fish that is more than one kilogram but less than three kilograms, we keep it in the cabin. Only when the fish gets to be three kilograms or so would we sell it on the market. This way each boat has about 1,000 kilograms of fish available to be sold on the market each month." Moreover, there is a dearth of refrigerated means of transport in Cambodia while the fishing boats have a breeding capacity. To preserve the freshness of their products, some fishermen sail to Phnom Penh and sell their catch there. Not only can they keep their fish fresh, but they can also charge slightly higher prices.

Apart from fish and shrimp, the Tonle Sap also produces crocodiles. Right now most crocodiles from the lake are purchased by merchants from Thailand.

**Table 3 Fishery Output (in thousands of tons)**

Year	1981	1982	1983	1984	1985	1986	1987	1988
Output	51.8	68.7	63.7	57.0	56.4	64.2	62.0	61.2

**Mining**

Cambodia is poor in mineral resources, with only limited quantities of limestone, potter's clay, tin, silver, as well as some gold and iron of no exploitable value. In the early 1970's, some prospecting took place along the coast and on the Tonle Sap in an attempt to find oil and natural gas, while phosphorus was being mined in the south of Kampot. Today there is a phosphate plant in Battambang Province with an annual output of 4,000 tons. In the early 1980's the Soviet Union proposed to repair the phosphate plant in Kampot (originally built by Cambodia with the help of China, with an annual output of 25,000 tons,) but dropped the plan after the Cambodian economy languished.

Precious stones (rubies and sapphires) are being mined in the Andong Pich mining area in northeast Cambodia, the Phnom Chi mining area in Stung Treng Province, and the Pailin mining area in Battambang Province. In the Pailin area, currently under the control of the Khmer Rouge (that is, the Armed Front for a Democratic Kampuchea led by Khieu Samphan,) miners from Thailand (in groups of 10) are charged 200,000 (\$7,500) for each one-two week stay. The allocation of mining sites within the area is totally determined by the Khmer Rouge. The closer to the mineral vein, the higher the fee. When the miner actually digs up some precious stones, he must contribute a portion to the Khmer Rouge before he is allowed to leave Cambodia. There is no way of telling how much the Khmer Rouge has profited from such operations, probably tens of millions of riels, according to unofficial statistics. Furthermore, it is understood that the Andong Pich mining area is currently under Vietnamese control while the Phnom Chi

mining area is in the hands of the Heng Samrin regime. Owing to a lack of prospecting technology and equipment, it has not been fully exploited. [passage omitted]

**Table 4 Output Value Of Manufacturing Industries in 1988**

Industry	Output Value	State share (%)	Private Share (%) (in millions of riels)
Food processing	1,747.2	67.6	32.4
Cigarettes	1,064.5	100.0	
Textile	255.4	13.7	86.3
Chemical industry (including rubber)	213.2	39.2	60.8
Machinery	138.4	33.8	66.2
Light Industry	90.2	31.2	68.8
Building	45.6	9.9	90.1
Transportation	23.6	100.0	
Unity Department	4.5	100.0	
Other Industries	2,518.3		

[passage omitted] The Cambodian government hopes foreigners will purchase abandoned and idle factories and reopen them. For instance, there is a factory near Phnom Penh that used to make bicycle and motorcycle tires. Its asking price is 500 liang of gold, including the land (about four hectares), plant, and equipment. It also may be operated as a joint venture.

### Analysis of Economic Situation

92A20116B Taipei CH'IENT'AN in Chinese  
Jul 91 pp 60-62

[Article by Chiu Yi-hsin (6726 0001 2450): "Analysis of Cambodia's Economic Situation Today"]

[Excerpts] Before 1982, endless civil wars caused severe material shortages in Cambodia and forced the people to leave home and become refugees. The United Nations allocated \$446 million in emergency relief and the Soviet Union provided \$300 million in economic aid, but such assistance was utterly inadequate relative to what the Cambodian economy needed.

### Encouraging Foreign Investment To Help Reconstruction

A persistent civil war and food shortages prompted the economists in the regime to begin a systemic program of economic planning in 1982. Then came the drought of 1983-1984, resulting in a crop failure in 1985. Only with grain aid from Vietnam did the nation manage to prevent the economy from deteriorating further. Faced with these setbacks, the Heng Samrin regime suspended the collection of the agricultural tax and, beginning in 1987, encouraged individual-household activities on a broad scale. In 1988, the introduction of a free market was included as a major national economic development policy. Using the experience of Laos and Vietnam as a guide, Cambodia also encouraged the use of foreign capital to help rebuild the nation.

Because of a string of economic reform measures, Cambodia's rice crop began to increase markedly. It harvested 2.70 million tons of rice in 1988 and 2.50 million tons in 1989. Other economic sectors too registered striking gains in output; timber output climbed to 200,000 cubic meters and rubber output reached 36,000 tons. In fishery, the catch held steady at the 1988 level of 82,000 tons at a minimum. To the Heng Samrin regime, therefore, 1989 was a golden year. While imports totalled 11.90 million rubles and \$24.10 million (including such products as petroleum, chemical fertilizers, cement, iron and steel), exports too amounted to a substantial 26.80 million rubles and \$17.10 million (the major exports being lumber, corn, and soy bean).

According to the statistics, Cambodia's per capita gross domestic product [GDP] was \$190 in 1988, so it must have reached \$200 by 1989. Nevertheless, probably only 30 to 40 percent of the nation's economy was under government control. Its major revenues sources were tariffs and fees. [passage omitted]

### Foreign Investment

The fact of the matter is that foreign businessmen are hesitant to come to Cambodia. Cham Prasit summed up their psychology succinctly, "Since no political solution has been worked out, the foreign businessman would rather wait a while longer and then see how things go."

He also cited other factors such as the civil war, weaknesses in the Foreign Investment Law, and Cambodia's isolationist policy.

Right now the most noteworthy foreign investment project in Cambodia is the \$20 million Cambodiana Hotel, which opened in June 1990. In addition, Overseas Telecommunications International [OTCI] of Australia completed the construction of a satellite receiving station in October 1990, setting up a communications network linking Phnom Penh with the rest of the world. In the next 10 years, OTCI will continue to invest \$10 million in a telecommunications project. According to the company's high-ranking officials, they are confident of earning at least \$150 million within the next decade. Among other investment projects are the plan by an overseas Chinese who is a French national to lease the Apsara dairy plant for 10 years for \$1 million, and a hotel project, a joint venture between an overseas Chinese in Cambodia and a Taiwan businessman. Companies from Thailand and Hong Kong also are negotiating to build a winery, a tannery, a bamboo chopstick plant, a beverage plant, and a battery plant. The success or otherwise of these investment projects will influence international perceptions of Cambodia and help determine how eager foreigners will be to invest in Cambodia.

### Upturn in Western Economic Aid Anticipated

Needless to say, the Heng Samrin regime also looks to Western economic aid to help extricate Cambodia from its economic woes and fill the void left by cancelled Soviet aid. In reality, the West is a little concerned that the regime might collapse, opening the way for the Khmer Rouge to seize power and possibly unleash another round of massacre. Accordingly, the European Community [EC] has promised aid and Canada has announced it would provide \$6 to \$8 million in assistance in the next five years. Even the U.S., which has taken a hands-off stance toward Cambodia all along, has made the unprecedented move of agreeing to provide \$5 million in humanitarian aid to Cambodian children.

Judging from the present situation, if China, the Soviet Union, the U.S., and Vietnam successfully apply pressure on the warring factions inside Cambodia, the Cambodian economy should rebound. With its exceptional natural resources, Cambodia should be an investors' paradise as well as a hub of international trade. For now, however, everything depends on whether or not the Khmer Rouge genuinely wants a cease-fire. In reality, this is what worries the regime and Cambodian people as well as the West. When all is said and done, the Heng Samrin administration is the most popular regime in Cambodia in 20 years and the one most solicitous about the national economy and the people's livelihood.

### Investment Analysis

92A50116C Taipei CH'EN-T'AN in Chinese  
Jul 91 pp 63-65

[Article by Li Chih-yuen (2621 2535 322): "Cambodian Investment Analysis"]

[Text] Cambodia unveiled its First Five-Year Social and Economic Development Plan in October 1985. It had three major objectives: 1) increase agricultural output; 2) revive rubber production; and 3) develop small and mid-sized enterprises as the focus of economic development. As it turned out, other than some gains in rubber production, Cambodia had nothing to show for its efforts in the two other areas. The reason is that the government had to set aside money to finance its war with the opposition. The Soviet Union, preoccupied with its own problems, has abandoned Cambodia for all practical purposes. The Phnom Penh government has no money to fix the infrastructure, including irrigation works and power supply. How, then, can one make bricks without straw?

So now the Cambodian government realizes that it must resort to foreign capital to rebuild Cambodia. Thus it has introduced an open policy and has been encouraging foreign investment so as to strengthen the nation's economic and technological base. Hence the Second Five-Year Plan (1991-1995). The top priority of the plan is still agriculture. But it has dawned on the government that science and technology must be made part of agricultural production. The government also seeks to develop electric and energy industries and process agricultural products for sale overseas to obtain a higher added value. Other priorities are the repair and maintenance of roads and the development of tourism. All this, however, comes with a price tag of \$1 billion. The government must come up with the money before it can put the plan into effect.

This article proposes to analyze the two areas of investment projects and investment risks.

#### 1. Areas With Investment Potential

The Phnom Penh government will soon implement its Second Five-Year Plan (1991-1995). Its foremost goal is to introduce science and technology into agricultural production so as to increase output. In other words, Taiwan businessmen interested in investing in the country may as well begin with agricultural machinery or help improve breeds and varieties.

#### —Timber

By 1988 Cambodia's timber output had reached 280,000 cubic meters. At present this product is under state control. There are three major reasons why it has been unable to increase timber output significantly: 1) the quota issue. Timber is needed in barter trade with socialist nations like the Soviet Union in exchange for weapons and materials; 2) the civil war. The opposition forces are scattered all over the jungles along the borders.

Some areas cannot be tapped for security reasons; and 3) transportation. An inadequate road network and poor transportation facilities often delay deliveries.

Among the principal types of timber are red sandalwood, hua-lei, agalloch eaglewood, Chinese juniper, kui-lan, teak, and bai-feng. Although the Cambodian government has not yet banned the export of logs, some form of export control is foreseeable in the future when the domestic political situation stabilizes. So the establishment of primary processing plants in Cambodia is inevitable. What concerns Taiwan investors is probably the level of processing technology in the country.

#### —Rubber

There are seven rubber plantations and six rubber plants in Cambodia, with a combined output of 36,000 tons. Its major markets are the Soviet Union and Eastern Europe. Most of the output is used in contractual barter trade between the central government and those nations, leaving a small portion available to be traded between the individual and the government. First, however, consider the quality of the rubber and the stability of delivery.

At present most Cambodian rubber is exported. To stabilize the source of supply, however, one should consider purchasing an abandoned rubber plantation at a low price and building a primary processing plant. Actually this remains a highly risky move, one that will pay off only if one bets on an early end to the country's civil war.

#### —Infrastructure

There are no hydraulic electro-generating facilities in Cambodia and the thermal power plant near Phnom Penh has been destroyed in the civil war. At present all electricity in Cambodia comes from diesel generators. Everybody, whether it be a government unit or a private individual, is dependent on this particular method of electricity generation. On the drawing board is a new thermal power plant, designed by Italian engineers, which is expected to be an adequate source of electricity for Phnom Penh, but the project will cost \$80 million, and nobody has a clue right now as to who is to foot the bill. A normal power supply for Phnom Penh is therefore out of the question in the near future.

Turning to roads and transportation, many roads were destroyed in the war. The latest problem is a shortage of repair and maintenance funds. There are 3,400 kilometers of roads in the whole nation, of which only half was fixed up, and temporarily at that, between 1986 and 1990. Some areas are simply impassable.

Telephone communications too are extremely inadequate. Other than government agencies and the homes of high-ranking officials, the only people who can afford to have a phone installed are hotels and the homes of Chinese businessmen. Even officials that have dealings

with the military usually keep in touch with one another using hand-held radio walkie-talkies.

Reportedly most of the consortia that have been talking with the Cambodian government about investing in the infrastructural projects mentioned above are from Europe, the U.S., Australia, Japan, and Thailand. Given the size of the projects in question, Taiwan businessmen cannot afford to go it alone.

#### —Manufacturing Industry

The Second Five-Year Plan makes the processing of agricultural products one of its priorities. This is why. Processed agricultural products command a higher added value and can stay fresh longer. Processing also eliminates some of the transportation problems and provide more job opportunities in society.

Yet if Cambodia really wants to do something in the manufacturing sector, it must overcome its biggest problem—the lack of water and electricity. Then there is the shortage of technical personnel, another common weakness in Cambodia right now.

There was a time when Cambodia was dotted with cotton mills and tire plants. Now all of them have been reduced to a state of semi-suspension as a prolonged civil war drove out technical personnel and destroyed basic equipment.

Consider leasing a state-owned factory in a joint venture with the Cambodian government. This is because the Cambodian government is not in a position to operate the plant itself. All it could do is to rent the factory out in return for some money. Actually the investor would find the costs of leasing readily acceptable. Better still, demand that the government be as accommodating as possible when it comes to infrastructural facilities.

#### —Tourism

In the wake of "Vietnam fever," Cambodia also has opened itself to the outside world. After almost 20 years of civil war, tourism had come to a complete halt in this nation.

Nevertheless, Cambodia boasts rich cultural heritage and natural scenery. During the period of political turmoil, it was in a state of self-imposed isolation. Now that foreigners are again allowed to visit as tourists, it has attracted quite a few foreigners eager to take a peek at mysterious Cambodia. Tourists numbered 2,360 in the first quarter of 1991 alone.

To invest in tourist facilities, such as hotels, restaurants, and transportation, the foreigner must submit his proposal to the investment committee for examination and then obtain approval from the council of ministers.

#### 2. Investment Risks

The law that currently governs foreign investment in Cambodia is the "Cambodia Foreign Investment Law,"

passed by the 17th meeting of the First Cambodian Congress on 20 July 1989. To do business with a politically unstable socialist nation, however, one must begin by understanding the relevant local laws, rules, and regulations. The investor, in particular, must analyze the investment law carefully word by word. For the reference of people who intend to invest in or do business with Cambodia, here are the risks that the investor must take in that nation:

#### —Diplomatic risk

To reduce the risk that goes with investing in a socialist nation that has no diplomatic relations with Taiwan, the investor must do these three things: 1) establish interpersonal relations. Cultivate personal ties, both horizontal and vertical. Never think like a gambler; 2) shorten the duration of the business transaction to the minimum and minimize the impact of political risks; and 3) keeping the scope of operations small is another way to minimize political risks.

#### —Political Risk

After the coup d'état by Lon Nol, education ground to a standstill in some areas affected by American bombing. When Pol Pot was in power, intellectuals were persecuted, further worsening the disruption in education. Most people have received minimal schooling. Those who have had some education probably have joined the government as civil servants. Because of the acute shortage of highly educated intellectuals, some people have become extremely self-important.

Thus there are sharply drawn partisan lines among Cambodian officials. Inter-departmental battles are common. After the Phnom Penh government adopted the policy of opening up to the outside world, some officials often indicate in their contacts with foreign investors and businessmen a desire to run the show themselves.

Because the political situation in Cambodia is still volatile, even the world banking community has rated Cambodia a "highly risky" area for investment purposes. Thus our countrymen had better be cautious when investing in that socialist nation. The best course of action is to cultivate personal ties with the officials, not only officials on the same level, but also those higher up so that one can beat a retreat when the unforeseen happens.

#### Exchange Rate Risk

The Phnom Penh government is in dire financial straits because it exercises effective control over just 30 to 40 percent of the nation's economy, its only major revenue resources being tariffs and fees. The withdrawal of Vietnamese troops has also forced the Cambodian government to pick up the tab for national defense, further aggravating inflationary pressures.



In November 1989, the official exchange rate between the Cambodian currency (riel) and the dollar was 218 riels to \$1. Since then the value of the riel has dropped to 800 riels: \$1 on the black market. This is similar to Vietnam's experience. In many cases the losses suffered by Taiwan investors in the last couple of years were caused by the nosedive in the value of the local currency. To invest in Cambodia long term, therefore, one must take into consideration the risks associated with changes in the exchange rate.

Given the current situation, it is still premature to invest in the manufacturing of products for domestic sale, unless one includes the exchange-rate losses in the manufacturing costs beforehand.

### Banking Risk

The lack of an internationally-recognized commercial bank in Cambodia has complicated remitting. Moreover, there is no normal banking system. Nor is the government in a position to render financial support. This means that the foreign investor in Cambodia cannot expect to use bank loans to ease their financial position. Thus he who wants to do business in that country must first have a careful assessment of his own financial situation.

In transactions with Cambodians involving letters of credit, one must go through a bank designated by a third party. This is extremely inconvenient. In choosing a method of payment, one also must take into consideration the continuous drop in the value of the Cambodian currency. To make remittances on the black market, moreover, one must expect to pay a difference of five percent. In larger transactions, therefore, the Cambodian people have traditionally preferred to pay in gold.

### Second Five-Year Plan

92A50116D Taipei CH'EN-T'AN in Chinese  
Jul 91 pp 73-75

[Article by Chiu Yi-hsin (6726 0001 2450): "Planning Minister on Second Five-Year Plan"]

[Excerpts] Taking a leaf from Vietnam's book, which opened the nation to foreign investment in 1988, Cambodia has not only changed its Chinese-style centralized economy into a market economy, but it has also been wooing foreign investors assiduously in a bid develop foreign economic relations and trade. What is little known among foreigners is the nation's Second Five-Year Plan. To provide the industrial community with a basic knowledge of Cambodia's economic environment, we have interviewed Chea Chanto, Cambodia's minister of planning. In Cambodia, the Ministry of Planning plays a role similar to that in Taiwan. This is what the minister said about today's Cambodia. [passage omitted] During the five-year plan from 1986 to 1990, Cambodia's gross national product grew 9.1 percent annually on the average while per capita income ranged from \$190 to \$200. These are not exact figures because we lack raw

statistical data. Nor do we have a computer. But the plan has been drawn up based on these figures.

Agricultural output makes up 40 to 50 percent of the GNP; industrial output, 20 to 25 percent, and commerce, also 20 to 25 percent. Yet only 12 to 13 percent of the GNP is at the disposal of the government. The reason is a flawed tax system.

Next I am going to brief you on Cambodia's economic potential, analyzing "human resources" and "national resources" separately.

### Dependent on Agriculture, Scientifically and Technologically Backward

About human resources, as you know, Cambodia has a small population, estimated to be about 8.6 million as of late 1990. The population also is highly unevenly distributed between urban and rural areas. A majority of people, about 80 percent, depend on agriculture for their livelihood. The birth rate is high, but so is the death rate. Between 1980 and 1985, the average birth rate was 2.8 percent. (Editor's note: According to statistics, the infant mortality rate was 20 percent. Life expectancy was 36 years for men, 39 years for women.) Here we must emphasize that at least 3 million people were murdered during the Pol Pot era, most of them intellectuals, including engineers, doctors, and technicians. Because of the shortage of professional workers, we must launch more training programs.

At the moment we are sending selected personnel to study in socialist and other friendly nations, but that will do nothing to meet the needs right now. Take agriculture, for instance. Unable to apply science and technology in agriculture, we can only produce 1.42 metric tons of rice per hectare, far less than that in other Asian countries. We also have no funds. If the past is any guide, we can boost per-hectare rice output to seven tons given adequate fertilizers and farm tools. [passage omitted]

Turning to timber, because of the war, the area of forests has shrunk from 13 million hectares to 7 million hectares. Be that as it may, each year we still manage to produce 300,000 cubic meters of timber. Our top priority right now is forest preservation and afforestation. This is because wood also happens to be the source of thermal energy for the Cambodian people. Because of excessive deforestation, it now seems that we can preserve only about 2 million hectares instead of the 4.5 million hectares originally planned. Besides these resources, Cambodia also boasts fertile soils, such as black earth, alkaline earth, and volcanic soil, about 2.6 million hectares in all. Along the Mekong River, in particular, you can grow just about any crop, no fertilizers necessary. As for barren and infertile land, we have about 1 million hectares, suitable for growing non-rice grains only.

### **Economic Management and Mutual Help**

Now a word about economic policy and economic management. Before 1988, Cambodia followed a centralized system. In other words, the state controlled all economic activities and enterprises, the localities carried out economic activities in accordance with central plans and policies, and the people were allocated land to farm and share the harvest. At that time the government's uppermost concern was to save the people from starving, so economic management was needed to enable the people to learn to understand and help one another.

As the economy recovered after 1988, living standards went up significantly. So the policy also changed to suit national development. Right now there are five economic formats in the country, namely state-run enterprises, cooperatives, small and mid-sized family enterprises, private enterprises (individual households), and semi-state-run enterprises (joint ventures with private individuals). Take individual households, for instance. Today we allow private individuals to own land. In Cambodia, there is enough land to be distributed to the peasants so that they can farm their own plots. For its part, the state helps the people by providing irrigation works and public facilities. We also allow private individuals to open stores to manufacture and export handicrafts. We will even turn over state enterprises to private individuals or open them up to foreign investment.

Right now we are working on a plan to convert the economy into a market economy and put an end to economic centralization. Instead, the state would control only certain major enterprises to protect the national economy and the people's livelihood. We will soon launch the Second Five-Year Plan to run from 1991 to 1995. Let me now briefly explain the contents of the plan.

### **Desperate Need for Foreign Aid To Help Reconstruction**

In the forthcoming Five-Year Plan, we will continue to strengthen our economic and technical base because we have not completed economic rebuilding during the First Five-Year Plan. Therefore, we will continue to formulate new laws and regulations in accordance with the needs of the market economy. At the same time, we also follow an open policy and encourage foreign investment. In the coming five-year plan, our top priority will remain agriculture. We hope to introduce science and technology into agricultural production. The second priority is industry, particularly electric and energy industry, because all hydroelectric power stations and thermal power plants have been destroyed by Pol Pot. Then there is the processing industry; we hope to process agricultural products and then sell them overseas instead of exporting agricultural products directly as in the past. As for heavy industry, it is not being considered right now. The third priority is transportation, especially the road network. Because of the war and the lack of funds, many roads have been either destroyed or neglected for years. Between 1986 and 1990, we repaired only half of the nation's 3,400 kilometers of roads and only temporarily at that. Because of technical difficulties, we did not do a thorough repair job. The fourth priority is tourism. Right now we are intensifying the preservation and building of tourist facilities. Much has to be done in tourism.

To implement the Second Five-Year Plan, we need a budget of \$1 billion, \$230 million to go to agriculture, \$300 million to industry, and \$380 million to transportation. The remainder is to go to communications. All communications systems have been destroyed by the Khmer Rouge. The need for rebuilding is highly urgent.

As for the sources of the needed \$1 billion, some of it will come from the sale of Cambodia resources and products and some from aid and loans from friendly nations, particularly the Soviet Union. We also sincerely look forward to assistance from Taiwan.

Editor's note: Those who are interested in investing in Cambodia may contact the Planning Ministry directly at 25143 (office) and 24964 (home).

## POLITICAL

**Author Predicts Competition for Muslim Vote**

92SE0149A Jakarta EDITOR in Indonesian 11 Jan 92  
p 93

[Review by Miska A. Amien of book *Pemilu Demokratis Kompetitif (Competitive, Democratic Elections)* by M. Rusli Karim, PT (Limited Company) Tiara Wacana, Yogyakarta, 1991, 173 pages]

[Text] By definition, a general election is a means of upholding a democratic political system. Its function is that of an instrument for improving democracy and ensuring its health. There is therefore an assumption that the implementation of good democracy in a country is measured by how its elections are conducted.

The question is whether oft-held elections have performed their function as a means for constitutional transfer of power. That is the question embodied in this work. To facilitate study, it is probably better to separate the first general election (1955) from those that followed. The first election was different from subsequent ones in both legal basis and purpose.

The first election was founded on the 1950 Constitution, whereas the ones that followed were based on the 1945 Constitution. The purpose, system, and contestants were all different. The purpose of the first election was to elect delegates to a constitutional convention to draw up a new Indonesian constitution. Contestants in the first general election consisted of candidates from at least 45 parties, plus other groups and individuals.

The first election used a proportional, representative system combined with a list system. Subsequent elections were not for the purpose of changing the Constitution, let alone drafting a new one. Various systems were used in these elections. The 1971 election had nine OPP's [election participant organizations], and the elections that followed narrowed the OPP's to two plus GOLKAR [Functional Group].

There has been a drastic shift in vote (seat) totals. MASYUMI [Council of Indonesian Muslim Associations] won the most seats in the first election. In subsequent elections, GOLKAR won absolute victories.

In the relationship of elections to the legislative body/DPR [Parliament], the author invites us to evaluate this

body as a vehicle for channeling the interests and aspirations of the people. In this context, the functioning of the legislative body cannot be separated from authority granted by the executive branch. Whether or not this body functions, the author says, will be determined by improvements in its operating mechanism and recruitment system.

It is difficult to move in that direction, however, because of the obstacles, both internal and external, that block improvements in the DPR's image and quality. One such obstacle is the fact that the organizations of the respective political parties are still not healthy. Constant rivalry among elements in the parties ignites conflicts. GOLKAR, too, gives the impression that there are factions competing for their respective interests.

What will be makeup of the three contestant organizations in the 1992 general election? The author expects the Muslim community to be targeted by all three OPP's. His view is based on the fact that Muslims are still in the majority in the population. Without the existence of an Islamic party, the distance between the Muslim community and the three OPP's is the same. The Muslim community is therefore free to choose. To obtain the support of Muslims, however, the OPP's must have separate strategies. At least five factors will guide the Muslim community in making its choice.

First, without the presence of an Islamic party and in this era of openness, the Muslim community's dislike of Catholics is increasingly visible. Second, past political experience teaches that to realize its political ambitions the Muslim community must not ignore humanitarian issues, issues that have disgraced formal Muslim political bodies. Third, through its political maneuvers, the government is seen as being closer to the Muslim community. Fourth, the two largest Islamic mass organizations, Muhammadiyah and the NU [Muslim Scholars League], have declared a position of neutrality toward the three contestants. Fifth, the participation of the Muslim community in the 1992 election will have great influence on the future of the community.

Because of these factors, the author sees an opportunity for the three contestant organizations to get votes. He expects GOLKAR to retain the position it won in the 1987 election. Through his analysis and because of a number of variables, the author concludes that both the PPP [Development Unity Party] and the PDI [Indonesian Democratic Party] will continue to face difficulties in freeing themselves from their minority status.

### Further Report on U.S. Project in Houa Phan

92SE0176B Vientiane PASASON in Lao 4 Feb 92 p 2

[Text] In the past two years there have been many development activities in Viang Thong District of Houa Phan Province. Some of these activities are being carried out by the joint Lao-American project at a fast tempo.

At the beginning of this year, which was the beginning of the plan for 1992, this project proceeded on to its second stage. The construction on the road from Hiam District to the Son area was basically completed so that it could be used by vehicles in two seasons or by large vehicles. In 1992 there are many goals for the difficult areas which when completed would allow small vehicles to travel back and forth.

In 1992 the project head brought in highway engineers from the Vientiane Institute for Communications Planning to survey new stretches of highway and build bridges in five to six locations. This meant that the road would be built to international standards and would be paved with asphalt in the future. In addition in the Son area project officials began construction on a building which would provide lodging and an office for the experts and specialists at a cost of 15 million kip. Construction began on 15 January, and it was to be completed on 30 January. Next project officials will send specialists in agriculture, forestry, crops, animal husbandry and irrigation to organize the people in the Hiam area and the Son area so that they can change from relying on nature as in the past to production involving light industry and raising commercial crops for sale. The project will also build a permanent school, a mid-sized hospital and a medical school. There will also be a school for agriculture and for sewing to provide skills for the people of these areas so that they can steadily build new lives, can end slash and burn agriculture and opium cultivation and can plant commercial crops.

From information supplied by the specialist cadres assigned to the project it was learned that in 1992 they would be able to build the highways according to specifications but would not be able to pave them. They would just reach the stage of putting down gravel and widening the road to eight to 12 meters so that a foreign company could come in to build a hydroelectric dam on the Et River in the Son area in 1993. After the hydroelectric dam is built, a large irrigation system would be built which would be able to irrigate 1,000 hectares of rice and other crops in the Son area. According to additional information received on 26 January, the project head had brought in three to four specialists from the United States to inspect the project and various construction activities in the Hiam area and Son area so that they could advance to the second and third stages according to plan.

### Problems, Relations With Former USSR Noted

92SE0176A Vientiane VIENTIANE MAI in Lao  
6 Feb 92 p 2

["Chatting With Readers" column: "Stay or Leave"]

[Excerpts] Dear Editor of VIENTIANE MAI: I am a student studying in the Soviet Union. [passage omitted] I would like to take this opportunity to ask the editor about the status of Lao students studying in some of the states which made up the former Soviet Union.

It is well known that after the change in thinking almost every state in the former USSR has experienced political and economic difficulties and confusion. As a result we Lao students who have been studying here have experienced problems in many areas, especially financial. A number of Lao students have gone home and not returned.

What plans do our party and state have to help the Lao students still studying here?

What plans do the party and state have for students to continue their studies? If the studies are to be continued, what plans are there for the living expenses of the students who are experiencing difficulties? [passage omitted]

Dear Lao students in the former USSR: two or three days after receiving your letter, VIENTIANE MAI got in touch with the office for Lao students abroad. At the same time the president of our country presented a letter to the new ambassador of the LPDR [Lao People's Democratic Republic] who was to be stationed in Moscow, the capital of Russia.

Because of these actions I believe that the difficulties of the Lao students studying in some of the states of the former USSR will be dealt with appropriately. In addition it was learned by a conversation (by telephone) with the organization responsible for Lao students abroad that: the Lao embassy in Russia would meet with representatives of various states which still had Lao students to recommend that these states continue to honor the old agreements (between the LPDR and the former USSR). If these states continue to help, the Lao students will be allowed to continue studying. But if any state is having great difficulties and cannot help us, then the students there must all be withdrawn. According to the statements of some states to the Lao Government, they will charge U.S.\$2,000 per year for tuition alone. The living expenses would be additional. Therefore we are inclined to withdraw the students if they cannot increase assistance. With regard to the states which continue to assist us, if the living expenses received by our students are insufficient, the government will consider increasing them a little. As far as we know now the living expenses may be increased U.S.\$3 per person per month.

Therefore those whose duty it is to study must endure a great deal. The country there is having difficulty, and our country is poor. If they do not really economize, they will

really be poor because being without there is not like being without here. They do not have anywhere to fish or hunt for shellfish, they do not have bamboo forests to search for sprouts, they do not have house grounds on which to raise vegetables, or if they do have them, they are not allowed to plant, or if they do raise them, they do not eat them because the frost kills them.

When I speak like this, it is as if I had been there (I saw a movie).

### **French Aircraft Purchase, Language Training Cited**

92SE0176C *Vientiane VIENTIANE MAI in Lao*  
23 Dec 91 p 1

[Text] The training in the French language which began for the Lao engineers and pilots in the middle of September 1991 was completed on 19 December. There were a total of 14 Lao engineers and pilots involved. Of these six were pilots. The French Government provided assistance of 70,000 French francs (the currency of France). The purpose of this training was to increase the French language competency of the engineers and pilots who would train in the use of the aircraft (ATR-42). This is a 42 seat aircraft from France acquired through a purchase agreement reached by the government of the LPDR [Lao People's Democratic Republic] and Lao Airways with the government of France.

It is expected that the two aircraft (ATR-42) ordered by Lao Airways will arrive in the LPDR in May 1992.

### **Kaysone Receives Thai Honorary Degree**

92SE0147B *Bangkok DAILY NEWS in Thai* 9 Jan 92  
p 6

[Unattributed report: "Kaysone Pleased to Receive Degree, Has Plan To Send Lao Students to Thammasat University"]

[Text] At 1500 hours on 8 January 1992 at the large assembly hall of Thammasat University, University officials held a ceremony to present an honorary doctorate's degree in political science to Mr. Kaysone Phomviharn, the president of the Lao Peoples Democratic Republic. Mr. Prakat Uaichai, chairman of the Thammasat University Council, presented the degree. Mr. Naraniti Setthabut, the university president, announced Kaysone's qualifications—he said that Kaysone had pressed for policies to revive the economy and society so that they could effectively coordinate the benefits provided by every group and all 68 ethnic groups; he had built relations with Thailand on a fraternal basis; he had participated in the joint announcement that the Mekong River was to be a river of peace; he had announced the cease-fire and talks to solve the problem of Ban Romklao village with Thailand peacefully, and he had reached an agreement to build the first bridge across the Mekong

River to help build relations with Thailand and to expand economic and cultural relations between Thailand and Laos.

After he received his degree, Kaysone responded that he was very pleased and felt it was a great honor. He felt that it was not just an honor for him but for his country as well and that it was a symbol of Thai-Lao relations. Laos placed a special importance on education and so was involved in developing human resources through education in order to create qualified civil servants who were patriotic, capable, moral and friendly toward other countries.

Dr. Watchariya Tosanguan, the university vice-president for academics for Thammasat University, said that the university had a project for Thai-Lao cooperation in academics. Laos was to send 300 students to study in bachelor's and master's degree programs in the 1993 school year in a special program which would stress sociology and law. Knowledge of the Thai language would be tested. There were to be selection committees from each faculty to screen the students once more. It was hoped that this project would further expand relations with Laos.

As for cooperation in other areas Laos had requested that university professors go help with higher education at universities in Laos, and Thammasat University had sent Dr. Chira Hongladarom, the director of the Institute for the Development of Human Resources at Thammasat University, to help develop a plan for staffing.

### **PRC-Supplied Communications System Described**

92WT0066A *Vientiane PASASON in Lao* 4 Nov 91 p 2

[Text] As has already been reported, the Asia Pacific Electronics Company of China recently made an investment to set up a paging radio system (khonling) for communications in the LPDR [Lao People's Democratic Republic]. The investment totaled \$3.5 million (not \$350 million) and the goal was to expand cooperation and investment. This was an investment which received the approval of both the Lao government and the Chinese Government.

What are the advantages of pagers and why do we need them here where we do not have telephones everywhere as they do in other countries? In response Mr. Si Cheu Chin, the engineering administrator for this company, said that pagers had a wide range of uses and had many advantages for individuals and the public. The pager did not require telephones to be useful since we could use number codes to call and indicate problems to others, for example we could use the code 001 (urgent that you return home, your wife is sick), 002 (urgent that you return home, your child is sick). In advanced countries, the police, doctors, businessmen, and important cadres have pagers for convenience in making calls, arranging meetings, or requesting to meet someone whose location was not known. These contacts could be made in a few minutes, or one could page 50 people or more at a time.

He said that the paging system was set up in Laos not just to expand cooperation and investment but also to make the Lao people familiar with using paging systems which would be useful in the daily life of individuals and would make communications convenient for society. In addition it would improve the economy.

In response to the opinion that paging was not permanent because permission had not been granted for it from the Ministry of Interior, he said that the business had been granted permission from the governments of both countries and therefore this rumor was without any basis in fact.

The company had been able to distribute about 100 pagers. There were three models: one with normal sound, one with sound and vibration, and one with music and vibration. The prices ranged from 130,200 kip to 142,800 kip for a unit. In addition there was a service charge of 7,000 kip per month. If anyone was interested in purchasing a pager or getting information about paging, they could call (16)9863, or they could go to the long distance service center next to the city administration. He would provide every convenience.

#### **MADC Role, Hmong Resettlement Problems**

*92SE0156C Vientiane PASASON in Lao 12 Dec 91 p 1*

[Excerpt] When our group of correspondents traveled to gather information on the Kinchiang festival of the Hmong in Khamkeut District of Bolikhamsai Province on 9 December, we learned from the reports of the local administration and from our observations of the multiethnic people that they realized the damage done by slash and burn agriculture and dry-field rice farming and wanted very much to live in a permanent settlement and cultivate wet-field rice. There were many families which had stopped their slash and burn agriculture and come down to the plains, but there was no rice land for them to cultivate. The distribution of farm land was the primary problem for the local administration. In addition the section concerned with this problem had been careless and had felt that it should take care of the problem quickly.

Mr. Bounneng Khamsavang, the party secretary for Khamkeut District, told our group of correspondents concerning the distribution of land to the people for agriculture that he felt there were still problems. For many years many of the multiethnic people and especially the Hmong had been ending their slash and burn agriculture and coming down to the plain to cultivate wet-field rice. But the local administration had been able to distribute land for permanent farming to only a few hundred families coming down from the mountains. For example in the Thongpe area 100 families had received land for permanent farming, in the Namak-reuang area 50 families had, in the Nathongsen area 600 families had, and there were a few other families in other areas. Chengdeng Canton was a canton where there were many Hmong, but the situation there was difficult for them also. According to the local administration in this area,

there were dozens of families which had stopped dry-field rice farming and come to cultivate wet-field rice who still had no land because the reed-covered marshes in many locations which were suitable for clearing had been reserved by those who had come before. But this land which had been reserved had not been cleared and used. Faced with this problem the Hmong were generally still waiting and hoping that the Mountain Area Development Corporation [MADC] and the local administration of Khamkeut District would correct the problem. [passage omitted]

#### **Government, Rebels Comment on Sanakham Fighting**

*92SE0147A Bangkok MATICHON in Thai 10 Jan 92 p 21*

[Text] A correspondent reported from Pakchom District of Loei Province concerning the fighting between the right-wing Lao forces and the Lao Government at Ban Vang Neua village, Sanakham District, Vientiane Province that by 9 January the fighting had stopped and the right-wing Lao forces had withdrawn from Ban Vang Neua village and fled toward the north of Laos. Lao Government soldiers had conducted a sweep close behind them. In the morning of the same day Pakchom District sent back 800 Lao refugees who had fled the fighting. They returned by boat from the port at Wat Khokphai and the port at Wat Nonsisa-at in Pakchom District. Mr. Phon Sing-oupheng, the head of Ban Vang village, crossed over to greet the villagers personally. In the afternoon a cremation rite was held beside the Mekong River for the Lao who was killed in the fighting.

Mr. Phon said that the resistance had attacked and robbed the villagers. One person had been killed and two wounded. Government soldiers had gained control of the situation.

The correspondent reported from Loei Province that the National Liberation Army for Freedom and Democracy, which was defeated by Lao Government forces, issued a three-page announcement after the four days of fighting. They called on the Lao people to change their system of government from socialism to democracy. They said that with even the Soviet Union collapsing, the government would not be able to bring happiness to the people. In the future Laos would not be able to ask for help from the Soviet Union. They therefore called on all the people to cooperate with the Liberation Army. In the announcement they also indicated that Mr. Kayson Phomvihane was preparing to flee to Vietnam and so asked the Lao people to prepare to receive a new leader of an administration with a king as head of state.

Mr. Daeng Ratchkaeo, 51, of Ban Vang village, Nammi Canton, Sanakham District, Vientiane Province was in mourning. He told the correspondent that he did not wish to return to Laos because his son, Mr. Lian Ratchakaeko, 19, had been hit by bullets during this clash and had died. He had been hauling wood four km north of the village.

"In the morning of 7 January my son went out to work as usual, but there were Hmong soldiers shooting at a tank of the Lao soldiers. He was killed. I have not been able to cremate my son. I do not understand why there was fighting. If peace brings loss of life, we do not want it. If this had happened to you, wouldn't you be sorry?," Mr Daeng asked.

#### **MADC Describes Hotel Operation, Charges, Profits**

*92SE0156A Vientiane KONGTHAP PASASON LAO in Lao 15-21 Nov 91 p 4*

[Text] The hotel at kilometer marker two of the Mountain Area Development Corporation [MADC] was completed at the end of 1989. The total construction costs were more than 200 million kip. The hotel has been open since January 1990. It has a staff of 10 whose monthly salaries range from 15,000 kip to 60,000 kip.

Comrade Khampan Saisomphou, who was in charge of the hotel, said that by serving both domestic and foreign guests for almost two years, the hotel had achieved a good income. It averaged 200 to 300 domestic customers per year and 40 to 50 foreign customers per year. The charge for domestic guests was 15,000 kip per room and for foreign guests it was \$15 per room. On average the hotel achieved an income of 4 million kip per month. Of this 1 million kip was used to pay its obligation to the corporation. In addition there were payments and policy commitments during those times when staff members were sick. In the 10 months of 1991 the hotel achieved an income of more than 60 million kip, and fulfilled its obligation to the corporation according to the goal.

Comrade Khampan also said that the hotel was expanding its activities and had invested 30 million kip to build a restaurant and a place for dancing. In addition

there were plans to improve services to attract more customers and increase income.

#### **Patchai Unit Antiaircraft Shootdowns in 1968-1969**

*92SE0156B Vientiane KONGTHAP PASASON LAO in Lao 15-21 Nov 91 p 3*

[‘Heritage’ Column: “The Glorious Patchai Company”]

[Excerpt] [passage omitted] In 1960-1961 the Patchai unit achieved success in defending liberated areas in many locations, such as Sam Neua, Xieng Khouang, part of Vientiane Province, Luang Prabang and Sayaboury. They took part in the great victory at the beginning of 1962 which forced the neo-colonialist imperialists and their lackeys to sign the Geneva treaty of 1962 concerning Laos and to set up the temporary coalition government of the three factions for the second time. Four representatives of the Lao Patriotic Front joined this government.

But the imperialists did not give up their desire for war. They were involved in many schemes; they began to undermine the coalition government and started the war again hoping to make Laos a province of theirs again.

The Patchai unit was determined to smash these cruel schemes of the imperialists and their lackeys and worked to strike at the enemy. They played an important role in great achievements and built a base in the mountains. One could say that there was no battle in which the Patchai unit did not participate. In particular there was the defense against the advance of the special forces of the imperialists and the forces of Vang Pao, who used 11 battalions against the Sam Neua area at the end of November 1968 and the beginning of January 1969. The cadres and combatants of the Patchai unit not only fought against the enemy bravely and were victorious in their defense of this stronghold but this unit was also able to shoot down five enemy planes. [passage omitted]

### U.S. Removal of Equipment From Subic

92SE0143C Manila DIYARYO FILIPINO in Tagalog  
30 Dec 91 pp 1, 2

[Text] The United States will start removing the valuable equipment at Subic Bay Naval Station in Olongapo City, Zambales, during the first week of January.

An estimated 20 to 30 huge ships of the U.S. Navy have been designated to anchor in Olongapo in order to remove the equipment.

According to Primo Galvez, Vice President of the Federation of Filipino Civilian Employees Association (FFCEA), the U.S. might complete the removal of the equipment, and the American forces should be able to leave before the end of 1992.

According to him, it will not be necessary to have a long period of time to prepare for the withdrawal (of the U.S.), which would be contrary to what the Aquino administration was hoping for.

Galvez stated that it will be accomplished within 12 hours, just as in the case of Crow Valley Target Range in Capas, Tarlac, and Clark Air Base in Angeles City, Pampanga, when Mt. Pinatubo erupted.

This fast withdrawal of the Americans has been a nightmare to about 14,000 base workers because the government has not yet made good on its plan to convert Subic, which was proposed in the Legislative Executive Bases Council (LEBC).

Aside from this, more than 50,000 contractual workers are directly affected by the rush departure of the Americans from the country.

Meanwhile, yesterday President Aquino ordered Secretary Fulgencio Factoran, of the Department of Natural Resources (Environment) (DENR), to implement measures designed to ensure the well-being of the watershed area and the forest within the U.S. Naval Reservation in Subic.

According to this directive the DENR must co-operate with and seek the help of the Armed Forces of the Philippines (AFP) and the local government of Olongapo City.

Malacanang reported that Mrs. Aquino ordered the DENR to consolidate the measures for ecological care around Subic, which should be carried out upon the departure of the Americans from the base.

The Chief Executive assigned the Department of National Defense (DND) and the Department of Transportation and Commerce (DOTC), and the Armed Forces of the Philippines (AFP) as the primary agencies for managing the conversion of Subic.

According to Executive Secretary Franklin Drilon, it is indeed necessary that the government agencies help each other until the Senate passes the legislation on the Subic Bay conversion plan.

President Aquino also called on the lawmakers to immediately pass the conversion bill when the session opens on 13 January.

The mandate relating to the approved departure date of the American forces from Subic on 31 December, 1992, was also made public.

The government in Washington is going to announce the termination agreement tomorrow because of the failure of the negotiations of both countries to reach an agreement on the framework of the Executive as prepared and presented by the RP panel headed by Drilon.

The two sides concerned will adhere to the one-year extension on the pull-out of the U.S. facilities in the country according to the Ramos-Rusk agreement.

### Enrile Suggests Change in Form of Government

92SE0143A Manila DIYARYO FILIPINO in Tagalog  
31 Dec 91 p 8

[Article by Ernesto Reyes]

[Text] A change in the system of government towards the parliamentary form is the key to solving the 20-year old problems posed by the leftist insurgents and by the rightist rebels.

This was stressed yesterday by Senator Juan Ponce Enrile as a solution to the worsening situation of the violence in the provinces due to the encounters (battles) between the military and the rebels.

According to Enrile, there are many benefits to be derived from a parliamentary system if it is implemented carefully and in detail.

According to him, there is a high possibility that in the new form of government, problems of law and order and of poverty and peace can be solved.

In a parliamentary system, it would be possible for the leftist and the rightist candidates to get involved and to win, thus eliminating their need to use force and violence and consequently, preventing an armed movement.

The Communist Party of the Philippines-New Peoples Army (CPP-NPA) has been revolting against the government for more than 20 years.

Likewise, the rightist rebellion of the Reformed Armed Movement-Armed Forces of the Philippines (RAM-AFP), under the leadership of former Col. Gregorio "Gringo" Honasan of the Philippine Army against President Aquino during the first year of her incumbency is on the rise again.



Enrile made it clear that it is easier and faster to change leaders in a parliamentary system whenever the people lose their trust and confidence in the leadership capability of the president or the prime minister.

Enrile was quoted as saying, "It is easier and faster for the nation to change leadership under the parliamentary system when the people's trust and confidence in the administrative capacity of the leader is being continuously eroded."

In this connection, the said senator gave assurances that he would no longer have any ambitions of running in the national election once the system of the current government is changed.

Instead, Enrile would just run as a delegate from Cagayan in order to become a member of parliament.

Enrile also challenged President Aquino to run as a delegate from any district in the nation.

It has been alleged that the relatives of Mrs. Aquino plan to change the form of government in order for her to become the prime minister.

However, the system can be changed only after the 1992 election, and only after whoever is the administration's candidate has been confirmed as the winner.

### Daily Criticizes Comelec

*92SE0157A Manila BALITA in Tagalog 11 Jan 92 p 4*

[Text] Hidden from the public, the Comelec [Commission on Elections] has long been talking to various political parties. It is significant (for it) to furnish the parties with the experience and the knowledge on election issues; the Comelec is in a good position to help them in improving the election process. However, it is equally important that those consultations foster mutual trust and confidence in one another, and among the parties concerned.

Yesterday, Chairman Monsod and various election commissioners got themselves involved in election matters. They had dialogs with well-known presidential aspirants in a frank and happy atmosphere.

The various conversations, engaged in by almost all of the "presidentials" of all the political parties, seemed productive. For example, as a result, there was a consensus that the Comelec must sponsor televised debates on regional and national issues which the presidential candidates should discuss in their respective platforms.

Furthermore, the Comelec appealed to the "presidentials" to be sure that they have delegates to all the preparatory election phases conducted by the polling body. Among these are the printing of official ballots, and of various election forms, and the orderly distribution of ballot boxes and other election paraphernalia.

In addition, Chairman Monsod also asked for the help of the "presidentials" to get their parties to clear the

election registry; the inclusion and exclusion proceedings of the election boards related to voter registration on 1 February should be initiated by them.

Unlike in past elections, the disputes about these proceedings can be brought immediately to the Comelec registrar, instead of to the courts, so as to have (a fast) an efficient resolution.

The dialog of the Comelec with the "presidentials" must come first and should not have been the last. We will not have adequate means to build up the confidence that the coming election will prove a new kind of maturity for the sake of democracy in the Philippines.

This goes against the grain of dishonest prophets who cause trouble and undermine the ability of the Filipino people to manifest their wishes and desires freely and peacefully through the ballot.

### Abolishment of Private Army

*92SE0143D Manila DIYARYO FILIPINO in Tagalog 4 Jan 92 pp 1, 2*

[Text] The Philippine National Police (PNP) will consult with local officials and commanders in connection with the initiation of measures relating to the illegal armies of politicians that will cause trouble in the coming presidential election.

After the 129 active private armies in the nation have been correctly identified, Director General Cesar Nazareno stated yesterday that he will visit the place known as "hot spots" in order to help the police effectively disarm the politicians' illegal forces.

Accompanying Nazareno in his survey of the "hot spots" are the Chairman of the Commission on Elections (Comelec), Christian Monsod, and an official of the Department of the Interior and Local Government (DILG).

Nazareno will also confer with the commandants of the PNP in Mindanao and Central Luzon in order to discuss ways and means of abolishing the private armies of the political warlords, like former Governor Ali Dimaporo of Lanao del Sur and his political rivals.

Nazareno wants to ensure fine co-ordination of the local government with the police to implement security in the coming election and to abolish the illegal private armies.

It has also been learned that Nazareno and Monsod will also meet with various groups of political leaders and local officials in order to obtain their opinion on the reshuffling of assignments of the PNP from the National Capital Region to Region 14.

This system of procedures is based on the request of the local officials so that they will be able to choose effective commandants in their localities.

In this connection, 11 PNP regional directors have been selected by Nazareno and the Comelec for recommendation to President Aquino.

The names of those to be recommended have not been disclosed, but it has been said that these are new appointees in the lineup of the PNP.

Regarding the reshuffling in the PNP, Nazareno stated that this is in accordance with a resolution of the Comelec on measures aimed at keeping the police and the military neutral.

In this connection, Nazareno stated that he will give a fifty thousand peso reward to the first PNP provincial commander who will be able to abolish any of the 129 traditional private political armies in the nation.

In addition to the fifty thousand peso reward, Senior Superintendent Reynaldo Wycoco, PNP spokesman, stated that Nazareno has given assurances that whoever the provincial commander is who will break up a private army cannot be transferred for one year.

According to Wycoco, the fifty thousand peso reward will be added by the provincial commander to the allotment for the operational expenses of his command in the province under his jurisdiction.

This reward was disclosed by Nazareno in a seminar and in a dialog between the PNP and the Comelec in Cebu City in order to ensure that the provincial commanders will take action against the private armies of the politicians.

#### **PNP Reshuffling Discussed**

*92SE0143E Manila DIYARYO FILIPINO in Tagalog  
3 Jan 92 pp 1, 2*

[Text] Four regional directors of the Philippine National Police [PNP], including Director Marino Filart of the Capital Regional Command (CAPCOM), will be reshuffled before 15 January in order to make sure that they don't take sides in the politics of the national election in May.

A Camp Crane informant confirmed that Chief Superintendent Roger Deinla of Recom 9 and Chief Superintendent Triunfo Agustin of Recom 7 will also be reshuffled.

It is also believed that a regional director will be moved from his present position because of recent information to the effect that his nephew will be a congressional candidate in the place where the director has jurisdiction.

The reshuffling of the four men was recommended by the Commission on Elections (Comelec) to Director Cesar Nazareno of the PNP.

According to the Comelec resolution, regional directors, provincial commanders, district directors, and station commanders who have been assigned for two (2) years in a certain area must be transferred to other positions in order to ensure that there will be no taking sides by the military in the coming election.

Based on this source the four directors (mentioned above) have served for more than two years in their respective areas; hence, they must be (reshuffled) transferred from their positions.

It is hoped that about 20 provincial commanders, one (1) district director, and some station commanders will be affected by the widespread police reshuffling.

The source added that Filart might also be transferred to Region 7.

At the outset, Nazareno confirmed that those police officials who have already served for more than two years in their jurisdictions will be reshuffled before the elections in May.

Furthermore, Nazareno also issued a directive that prohibits the bearing of arms outside residences from 12 January to 10 June if the bearer has no permit from the Comelec; the purpose of this is to lessen election violence.

#### **Support for Danding Cojuangco**

*92SE0143B Manila BALITA in Tagalog  
20 Dec 91 pp 1, 2*

[Text] Yesterday, the Nacionalista Party (NP), headed by the former Rizal Governor Isidro Rodriguez, announced that seven strong political groups have formally (officially) joined the NP Rodriguez Wing in order to support the candidacy of businessman Eduardo "Danding" Cojuangco, Jr., in the 1992 presidential election.

According to Gabriel Villareal, a Cojuangco spokesman, those who joined forces with the NP Rodriguez Wing are the Bangsa Moro Congress, BALANE of Nueva Ecija, Lakas of Davao, League of Mindanao Leaders, Northern Luzon Alliance (NLA), Independent Nacionalistas and Allies (INA), Pasyon Bisaya, and Partido Pilipino.

According to Villareal, the coalition of the above forces will help to unite a solid foundation of wide support for Cojuangco as the presidential contender from north to south.

The Bangsa Moro Congress is an association of men who are the best organized group headed by the former Tawi Tawi Governor Almarin Tillah, the brother of Senator Santanina Rasul.

The BALANE is the political powerhouse in Nueva Ecija founded by the deceased Nueva Ecija Governor Eduardo Joson, Sr. It was able to obtain almost all the elective positions in the province in 1987. It is now led by Representative Edno Joson and Vice Governor Tomas Joson.

The Lakas of Davao is headed by Davao City Mayor Rodrigo Duterte who wields a powerful influence in the city government and in the entire province.

The League of Mindanao Leaders is a group of incumbent governors, congressmen, and mayors, from the

LDP (Struggle of Democratic Filipinos), PDP-Laban and the Liberal Party in Mindanao. Among its members are Agusan del Norte Governor Ed Rama and Agusan del Sur Governor Ceferino Paredes.

### **Visaya Provinces Support Cojuangco**

*92SE0157E Manila BALITA in Tagalog 13 Jan 92 p 5*

[Text] The Nacionalista Party [NP], led by former Rizal Governor Isidro S. Rodriguez and presidential hopeful Eduardo (Danding) Cojuangco, Jr., showed surprising strength in the Visayas when their party held a convention in Tacloban City a few days ago.

About 1,500 delegates, composed of incumbent officials and political leaders from five provinces in Region 8, including the sub-province of Biliran, pledged their allegiance to the party.

On one occasion, the Waray-dominated area, a region supposedly the bailiwick of ex-First Lady Imelda R. Marcos, also warmly received Cojuangco.

An NP official commented, "The return of Mrs. Marcos to the country, and her plans to run for the presidency, created a small problem in the Samar-Leyte area. Likewise, the assembly had erased the suspicion that the region is still a stronghold of Mrs. Marcos."

The local officials from Leyte, Southern Leyte, Northern, Easter, and Western Samar joined the hundreds of supporters who endorse Cojuangco in his presidential bid.

### **Salonga-Pimentel Team Announces Platform**

*92SE0157D Manila BALITA in Tagalog 13 Jan 92 p 2*

[Text] They are the first to form a genuine coalition and a partnership for the presidency. I'm referring to Senator Jovito R. Salonga and Aquilino Pimentel, Jr. Yesterday, the first complete ticket for the 1992 presidential election was launched at a huge convention in the Araneta Coliseum.

The Liberal-PDP [Philippine Democratic Party] Laban coalition did not create surprises. It is clear that the primary standpoints of the above two are similar, particularly on those issues dealing with the military bases and with the Filipino-American status of relations. By renouncing the military base treaty, Salonga and Pimentel both made their roles brilliant, clear, and intense.

This coalition will be a magnet to many Filipinos with nationalistic fervor, especially those who lean towards the left in the political spectrum. Included here are the rank and file, especially the youth who are under the influence of the National Democratic Front.

On the other hand there are many NGO's [non-governmental organizations] now embracing the Church and President Aquino, but these are pondering the situation very deeply before taking action to join in.

Instead, they will be enticed to join up under whatever banner former Chief Justice Marcelo B. Fernan takes sides with.

For example, Fernan's Union for Progress, led by the former Magistrate Cecilia Munoz-Palma, together with Senator Orly Mercado, are liberals who deliberately separated themselves from Senator Salonga. There are also others who are attracted to Fidel Ramos. There are still others, like my friends, who were formerly radical, but now are zealously siding with Danding Cojuangco.

I am not well informed as to the exact time when the Salonga-Pimentel partnership will finally make the Filipino-American relations an issue. Their platforms are full of sharp adverse criticisms on the interference of the American imperialists in the Philippines.

Nevertheless, there is no room for them to filter their answers regarding their strong views on the military bases to the public in Central Luzon, especially in the provinces wrecked simultaneously by the Mt. Pinatubo eruption and by the sudden closing of Clark and Subic.

Unemployment in the whole of the Philippines is 15 percent, 20 percent in Metro Manila, but it is 42 percent in Central Luzon.

This is not all. According to the Social Weather Survey, up to 80 percent of the Metro Manila residents protest against the sudden and fast closing of the military bases.

### **Presidential Candidates Given List of Voters**

*92SE0157B Manila DIYARYO FILIPINO in Tagalog 13 Jan 92 p 10*

[Text] The Commission on Elections (Comelec) has given the presidential candidates a list of the "barangays" (the smallest community social unit) and of the number of voters so that they can help in the investigation and in the studies conducted of places that have illegal voters and "flying voters."

According to Chairman Christian Monsod of Comelec, the candidates can help a lot in cleaning up the lists, and in holding an orderly and clean election on 11 May 1992.

Together with this, the Comelec confirmed that the line of communication is open among the "presidentials," after Monsod talked to them last Friday.

Monsod stated that this is an effective means of guarding against the candidates' possible violations of the Omnibus Election Code, such as early election campaigns, the use of the media, and overspending of money during the election.

At present, the commission is studying very carefully the 7,725 "barangays" believed to have the lists of illegal and extra voters.

The Comelec announced that they will have the framework for a public debate at a very specific date for the "presidentials," relative to the election.

The Comelec also stated that the Commission does not have the authority to punish those who violate the Omnibus Election Code if they did not formally submit their candidacy.

Monsod said, "We do not make the laws. We only implement them."

In other related news, Monsod persuaded the wealthy businessmen to give donations to the commission after they were prohibited from spending too much on the candidates they are supporting.

The commission needs 100 million pesos for use in the above operation, and to enable it to furnish the public with information regarding the coming election.

Meanwhile, the Comelec announced that so far, there have been no problems in implementing the ban on firearms, and in breaking up the politicians' private armies, on the basis of the latest report received from the Philippine National Police (PNP).

#### **Comelec's Voting Rules Would Affect Students**

*92SE0157G Manila BALITA in Tagalog 8 Jan 92 pp 1, 2*

[Text] People's Reform Party President Miriam Defensor Santiago announced yesterday that she will petition the commission on elections [Comelec] to allow qualified students to vote in their place of residence and not in the place where they are studying, in order to minimize the loss of suffrage by millions of student voters.

Santiago stated, "Under the current Comelec calendar, on 1 February, registration day, the student voters will be forced to register in the places where they are studying now. However, on election day, these student voters will be on vacation in their home towns, where they are not allowed to vote. Thus, the system must be amended immediately; otherwise, millions of student voters will be unable to vote."

Santiago, a lawyer, said that she will petition the Comelec to use its powers under the 1987 Electoral Reform Law, Section 29, which runs as follows: "The Commission will designate the period and date to ensure the accomplishment of the work to be done so that the voters will not be cheated of their right of suffrage."

Santiago made the announcement while she was the guest speaker in a community convocation attended by 5,000 residents of Pateros, Rizal, led by Mayor Jose Capco, Jr., and Vice-Mayor Ernesto Cortez.

In the said convocation, held in the foreground of the Pateros Municipal Hall and attended by students and professionals, Santiago inducted into office the officials and members of the Pateros Chapter of MOVERS, a Movement for Responsible Public Service.

Based on the election calendar, released a few days ago by the Comelec, the voter registration is set for February.

In this case, student voters enrolled in the colleges and universities have to register in Metro-Manila and in the neighboring areas where they are studying.

Election day is in May. By the end of May, all students shall have had their two-month school holiday, and as such, shall have returned to their home towns in the province.

Unless the system is clarified, the result will be that student voters will register in one place, but they will be in another place on election day, and therefore, they will not be able to vote.

#### **Report on Payments to CPP-NPA To Ensure Safety**

*92SE0157C Manila DIYARYO FILIPINO in Tagalog 15 Jan 92 p 2*

[Text] The Communist Party of the Philippines—New People's Army [CPP-NPA] will grant passes to political candidates to campaign in places where the leftist rebels have control.

It was learned in a report received by General Lisandro Abadia, chief of the Armed Forces of the Philippines (AFP), and by Director Cesar Nazareno, of the Philippine National Police (PNP), that any candidates who campaign in places under NPA control will make payments to the group movement (i.e., CPP-NPA).

The amount to be paid will be based upon the position the candidate is campaigning for.

According to the report, the smallest amount asked for by the NPA is 100,000 pesos in order to ensure a free and safe campaign by the candidates in the province.

On the other hand, the PNP announced that communist group (movement) will support any candidate in the election who believes in the cause of the rebels; this includes those who run under the banner of the People's Party (PnB).

It has been reported that the PnB agreed to form a coalition with other parties which want to have a greater chance of winning in the election.

Pablo Hernandez

#### **Comelec's Gun Ban During Elections Praised**

*92SE0157F Manila DIYARYO FILIPINO in Tagalog 14 Jan 92 p 3*

[Text] It is a beautiful beginning for the 1992 election to ban guns until 12 July. This Comelec [Commission on Elections] ordinance is necessary in order to eradicate traces of violence in every election in the Philippines.

It is hoped that election-related crimes will be eradicated because the gun ban outside residences (homes) also applies to the men of the military and the police.

However, simultaneous with the gun ban is the fear of the authorities that the communist rebels will take advantage of the ordinance to undertake more ambushes against the officials of the AFP [Armed Forces of the Philippines] and the PNP [Nationalist Party of the Philippines]. Although Comelec Commissioner Haydee Yorac emphasized that he had secretly talked to both the leftist and the rightist rebels to ensure a clean, free, peaceful, and orderly election, nevertheless there is no guarantee that they will not take action on behalf of their cause.

The indication of the communist rebels in Pampanga that they will confiscate the weapons of the private armies of well-known political warlords in the province is a warning signal. If the men of the various politicians offer resistance, then there will certainly be more bloodshed in the 1992 election, which will occur even during the election campaign.

Another thing that must deserve the Comelec's attention is the NPA's [New People's Army] strong support for well-known politicians sympathetic to their struggle. The rebels have weapons, and the voters' fear of them cannot be decreased so that they will be forced to support the candidates of the NPA.

Furthermore, the spread of criminals through the nation must also pose a threat to the Comelec. These criminals will have a strong desire to commit crimes, since there will certainly be few (law enforcement) authorities who could bear arms. However, this can be prevented if the government, with the permission of Yorac, assigns secret marshals where needed. If this is not done the level of criminality will surely increase during the gun ban period.

Likewise the Comelec's purpose in the gun ban till the end of the election is a great idea. It must, however, be implemented seriously in order to eradicate violence and ruthlessness and to ensure a clean, free, peaceful, and orderly election.

## POLITICAL

### Debate Over Changes in Succession to Throne

92SE0140A Bangkok KHAO PHISSET in Thai  
16-22 Dec 91 pp 14-16

[Article by Sukim Kanyanaphat]

[Excerpts] During the second round of deliberations on the draft constitution in November, many people demanded that these deliberations be broadcast just as had been done during the first session. But the government claimed that parliament first had to inform the government of its wishes before the government could authorize this.

But the "elephant brand tile" draft subcommittee chaired by Osot Kosin sent a letter to the president of parliament asking him to inform the government that it would not be proper to televise the proceedings, because "there are certain legal articles that are very sensitive." [passage omitted]

I am referring to the deliberations on Section 2 of the Constitution, or the section on the monarchy.

Article 20, Section 2, as written by the first draft subcommittee, whose members included Michai Ruchuphan, Likhit Thirawekhin, and Kroekkiet Phiphatseritham, stated:

"Article 20, which is subordinate to Article 21: Succession to the throne is governed by the 1924 Palace Law on Succession to the Throne. The method used to revise the 1924 Palace Law on Succession to the Throne must be the same as that used to revise the Constitution."

Actually, the draft subcommittee headed by Michai Ruchuphan did not change this section of the Constitution. The 1978 Constitution and the 1985 revision clearly stated in Article 20 that "the method used to revise the 1924 Law must be the same as that used to revise the Constitution."

Thongto Kluaimai Na Ayuthaya wrote an article titled "Praise for the King by the Thai People." This article was printed in SIAM RAT on 5 December 1991 on the occasion of the king's birthday. One section of the article stated:

"The palace law is being revised because the 1924 Law is a very important law. In particular, Section 4 stipulates the order of succession. If this palace law is revised, this will give an advantage to certain people in line for the throne and put others at a disadvantage. And this will result in politics interfering in the matter of succession to the throne. Thus, some Thai Constitutions, such as the 1952 Constitution, have clearly stipulated that the 1924 Law cannot be revised. However, considering the facts, even the Constitution, which is the supreme law of the country, can be revised, because the situation may change. If the Constitution can't be revised, that could seriously damage the country. The only thing is that

there must be an article that makes it more difficult to revise the Constitution than ordinary laws. This is necessary to ensure that things are done very carefully and only when absolutely necessary. Thus, it is reasonable for the 1974 Constitution to contain an article to allow the palace law to be revised using the same methods used to revise the Constitution."

It can be seen that the Constitutions of 1974 and 1978 as revised in 1985 and the draft constitution of Michai Ruchuphan all state that the palace law can be revised using the same methods used to revise the Constitution. In the draft constitution of the the NPKC [National Peace-Keeping Council], even though revising the Constitution is difficult, Osot Kosin and his subcommittee have changed this article to read:

"Article 20, which is subordinate to Article 21: Succession to the throne is governed by the 1924 Palace Law on Succession to the Throne.... The power to revise the 1924 Palace Law on Succession to the Throne resys exclusively with the king."

This means that Osot's committee has changed the method of revising the 1924 Law. That is, instead of this being revised "in the same way that the Constitution is revised," this draft constitution calls for this to be "exclusively the power of the king." Thus, means that this law "can be changed," unlike the 1952 Constitution, which stated that this "could not be changed." But Osot has proposed that the authority to do this be given only to the king. This is an indication of the subcommittee's loyalty to the monarchy.

In his 5 December 1991 SIAM RAT article, Thongto Kluaimai Na Ayuthaya made a very interesting point about the "rights of kings" as follows:

"According to the Article 13 of the 1924 Law. This is not the right time for a princess to succeed to the throne. Thus, it is absolutely forbidden to put a princess in the line of succession. This shows that King Mongkut did not deny in the least the right of a princess to take the throne. But that right was held in abeyance only because it was not considered appropriate at that time. Thus, the 1974 Constitution was the first to state that if there is no crown prince, parliament may approve the ascension of a princess to the throne. Perhaps that was because by 1974, 50 years had elapsed since 1924. It was now appropriate for a princess to succeed to the throne if necessary. By 1974, the qualifications of princesses were markedly different from those in 1924. This is evident from the fact that today's princesses are very capable people with high morals who are truly highly respected by the people. Moreover, this concerns equal rights for women, a significant factor in the body political while that Constitution was being drafted."

Article 20 of the 1978 Constitution and the 1985 revision states that "Succession to the throne must be in accord with the 1924 Law and must be approved by parliament. If there is no prince, parliament can approve succession to the throne by a princess."

In Michai's draft, Article 21 is separated from Article 20. Paragraph 2 of Article 21 states that "in the event that the throne is vacant and the king did not designate an heir pursuant to Paragraph 1, the Privy Council will recommend a successor in accord and Article 20 to the cabinet. This name will then be submitted to parliament for approval. If there is no prince, a princess can be nominated."

The draft committee chaired by Osot Kosin has changed this by removing the phrase "if there is no prince" and adding the words "in this event." Thus, as it now stands, Article 21, Section 2, reads:

"In the case that the throne is vacant and the king did not designate an heir pursuant to Paragraph 1, the Privy Council will recommend a successor in accordance with Article 20 to the cabinet. This name will then be submitted to parliament for approval. In this event, the name of a princess can be submitted."

The difference is that the original and the draft by the Michai Ruchuphan committee stated that "if there is no prince," then the "name of a princess could be submitted." Osot's change now means that even if there is a prince, "the name of a princess can be submitted."

It can be seen that the Osot committee has created several choices with respect to succession to the throne, which reflects the great care and sensitivity shown by this committee. The openness of the phrase, "if no heir has been designated, either a princess or a prince have an equal right to succeed to the throne." This should put people at ease about the monarchy.

### **Role of Special Branch Police May Be Changing**

#### **General Comments on Restructuring**

92SE0154A Bangkok NAE0 NA in Thai  
29 Dec 91 pp 1, 18

[Excerpt] Pot confirms that the Special Branch Police will be upgraded to the level of a bureau within the term of this administration. At the same time, there will be major cutbacks in the Central Investigation Bureau.

In his capacity as chairman of the Committee for Improving the Structure of the Police Department, Police General Phot Bunyachinda, the deputy director-general of the Police Department for administration, said that the committee is preparing to recommend to the Police Department that the Special Branch Police and the Research and Planning Division be upgraded to the level of a bureau. At the same time, the Technical Division and the Legal Affairs Division will be combined to form the Legal Office, which will be the equivalent of a bureau, too. Thus, the Police Department will have three additional units with the status of a bureau.

The reason for upgrading the Special Branch Police to the level of a bureau is that there are presently intelligence problems. Intelligence is the heart of the Police

Department. Today, the structure of the Special Branch Police is not well suited to the nature of the work. This new bureau will have five divisions. This will include the Foreign Affairs Division. This should help increase work efficiency.

The deputy director-general of the Police Department said that the Research and Planning Division is being upgraded to an office in order to combine planning and financial planning. At the same time, the Community and Mass Operations Office will be made part of the Police and Planning Office. [passage omitted]

#### **Branch May Be in Decline**

92SE0154B Bangkok LAK THAI in Thai 23-29 Dec 91  
pp 23, 24

[Excerpt] [passage omitted] The Special Branch Division has little work at the present time. The roles of several sections have been constantly limited, and there is virtually no leadership with respect to either intelligence or political activities as in the past. This is different from military intelligence units, which are very strong and much more modern than in the past. Moreover, two other important intelligence organizations have been upgraded in order to make them more efficient. Those are the National Intelligence Office and the National Security Council. In particular, the National Security Council, which is headed by General Charan Kunlanwanit, is developing an international system and has become very flexible.

An interesting piece of news about the Special Branch Division is that there are internal conflicts. As a result of these conflicts, intelligence activities have declined in efficiency, and there is a lack of unity. Besides misunderstandings in carrying on activities, another reason for this situation is that people at lower levels feel hurt, particularly within the group referred to as the "young Turks." A news source in the Police Department said that this problem is discussed almost daily. In the past, it had a command center at a trade center in the Erawan area, but now the location changes frequently.

This resentment stems in part from one of the deputy commanders of this division. People have criticized him for acting as if he were the commander of the Special Branch Division and for building up his power and influence throughout the division. It has reached the point where people feel that Police Major General Yothin Matthayamanan, the commander of the Special Branch Division, is just a "shadow" commander.

Besides this, there have been reports that instead of carrying out his intelligence duties in order to achieve results, a certain police lieutenant colonel has been "running" back and forth between Building 12 and Building 20 even though he has no duties there. People have seen him entering and leaving the office of the director-general of the Police Department, Police General Sawat Amonwiwat, just like a secretary. It may be that this police lieutenant colonel is reporting certain

things directly to the director-general. But people are starting to wonder who the real commander of the Special Branch Division is.

The news source said that Police Maj. Gen. Yothin is the "fighting fish" of a special branch police officer who should understand the chain of command. Some of his subordinates are upset about what is going on. This is particularly true in the 2d Command, which is directly involved in intelligence activities, because of the all the "power" struggles that have been going on. Even outsiders feel that the director-general of the Police Department is turning to other intelligence officials instead of the head of the Special Branch Division. "Things are different from when Commander Khasem Saengmit was here. He felt that it was important for the commander to coordinate things with his subordinates. He did not believe every piece of information given him, particularly information obtained from the newspapers. Moreover, if someone was not directly responsible for some task, he was not allowed to meddle in things."

The news source also said that actually, in carrying out his duties, Commander Yothin is very energetic. But problems have arisen because of the claims made by a subordinate who likes to act as if he were the Special Branch commander. Also, Police Maj. Gen. Yothin is a quiet person and does not mix with people well. Thus, his subordinates don't dare approach him, and so it is difficult for them to tell him about this problem. But all the "noise" in the Special Branch Division won't escape the attention of Police Maj. Gen. Yothin. He is not deaf. It is thought that he will take steps to solve this problem before the start of the new year. Otherwise, the pigeons that used to fly around the kingdom will be confined to cages.

#### General's Comments, Structure

92SE0154C Bangkok DAILY NEWS in Thai 31 Dec 91  
p 5

[Editorial: "Upgrading the Special Branch Police"]

[Text] In his capacity as chairman of the Committee for Improving the Structure of the Police Department, Police General Phot Bunyachinda, the deputy director-general of the Police Department for administration, said that the committee is preparing to recommend to the Police Department that the Special Branch Division be upgraded to the level of a bureau. He said that there are now intelligence problems, and intelligence is the heart of the Police Department. He added that the structure of the Special Branch Division is not suited to the nature of its work.

Concerning the new structure of the Special Branch Division, Police Gen. Phot said that it will have five divisions, which will include the Foreign Affairs Division. This should help improve work efficiency. An effort is being made to complete this change within the term of the Anan Panyarachun administration. Police

Gen. Phot also said that no additional personnel will be added, but the newly created units will be allotted sufficient personnel.

The Special Police Division is presently headed by Police Major General Yothin Matthayamanan. There are 21 deputy commanders with the rank of police colonel. The important units of this division include the 2d Command, which carries on activities concerning political intelligence, the 6th Command, which monitors the Communist Party of Thailand in Bangkok, and the 7th Command, which monitors the Communist Party of Thailand and other terrorist groups in the provinces.

The fact that Police Gen. Phot has said that the structure of the Special Branch Division will be changed because it is not suited to the work and because this will improve the unit's efficiency confirms what people have been saying, that is, that the Special Branch Division has not been doing a good job recently.

After the restructuring of the Special Branch Division, this unit will be the equivalent of a bureau and it will be headed by a police lieutenant general. The five subordinate divisions will each be headed by a police major general. This will definitely benefit these police officials. But looking at its political work, particularly the various terrorist organizations, including the Communist Party of Thailand, the bandit terrorists, and the Malaysian communist guerrillas, why is it necessary to expand or upgrade the Special Branch Division? Because in comparison, the number of crimes being committed is increasing, and dealing with crime is the direct responsibility of the Police Department. But it has not formed a special intelligence unit to deal with this. Moreover, there are many units that are engaged in political intelligence work.

Thus, we hope that Police Gen. Sawat Amonwiwat, the director-general of the Police Department, who has an MA degree in social development, will consider whether the Police Department should focus its resources more on political intelligence or criminal intelligence. He should make his decision based on the state of society instead of the wishes of some senior people, who want to improve the Special Branch Division's capabilities in monitoring opposition politicians.

#### NAP Leader Wira Discusses Election Prospects

92SE0144A Bangkok NAE0 NA in Thai 5 Jan 92 p 7

[Interview with New Aspiration Party Election Director Wira Musikaphong by Kongkiat Thongruang, place and date not given]

[Excerpt] [passage omitted] [Kongkiat] There seem to be many people in the party who are unhappy that you have been made party secretary general.

[Wira] How each person feels is up to him. We can't prohibit that. But once a decision has been made, we have to abide by it.



[Kongkiat] There were rumors to the effect that if the party did not hold an extraordinary meeting in order to appoint squadron leader Prasong Sunsiri first deputy party leader, certain party members would stop carrying on political activities in the name of the party.

[Wira] No one has called for or exerted pressure to hold an extraordinary meeting in order to appoint squadron leader Prasong. The appointment of squadron leader Prasong was the decision of the party leader. Actually, the party leader intended to appoint him at the last meeting but forgot. He said that he is still new in holding political meetings. He talked about the qualities of squadron leader Prasong for a long time, forgetting to announce his name, with the result that squadron leader Prasong's name was left off. Thus, he plans to submit his name again. But the only way to do this is to hold a special meeting. There is no reason to exert pressure. The only thing is that things must be done according to the law.

[Kongkiat] Will a special meeting be called?

[Wira] The party leader has said that a meeting will be held as soon as possible. But no one is rushing things. He probably wants to do this as soon as possible because of the preparations that must be made for the election.

[Kongkiat] Then the matter has been settled, is that right? And after the election, a new party executive committee and a new party secretary general will be elected, is that right?

[Wira] This is the custom of every political party. After the general election, the party will review its executive committee. That means that a permanent party executive committee must be elected. But the people elected are not permanent members. That is just a custom. After the election, members are given an opportunity to decide whom they want to choose or replace.

[Kongkiat] It seems as if people in the party have compromised in order to keep people from thinking that there has been a split within the party?

[Wira] It's not a matter of creating an image so that people think the party is unified. This is the duty of every member when they join the party as allies so that the work gets done. This is their direct duty. Everyone must help.

[Kongkiat] As the person who is in charge of the campaign in the south, how prepared are you, and how many seats do you think the New Aspiration Party [NAP] will win?

[Wira] As I have said many times before, we are prepared for the election, because we have been making complete preparations, from laying a political foundation in each election zone to selecting candidates and looking for resources to support our campaign. We are ready. As for asking me how many seats we plan to win, it's up to outsiders to set this or that target. Insiders like me don't say that we want to win 20, 30, or 15 seats. That

is drivel. That has nothing to do with reality or our actual work. Our goal is to do our best. It will then be up to the people to decide how many seats we will win.

[Kongkiat] During this election campaign, what issues will the NAP raise in order to show the people what it has accomplished and gain their support?

[Wira] There are many things that we need to tell our candidates. That is, we will have to hold another seminar for our candidates. The policies that will be presented include both party policies and regional policies, that is, policies of the south on various problems. And there are also provincial level policies. These are things that the candidates have already studied. All of the policies, that is, the provincial, regional, and national policies, must be approved by the party executive committee before they can be announced or before people can start campaigning.

[Kongkiat] Are you concerned about having to wage a campaign against parties, particularly the Democrat Party, that have always controlled the south?

[Wira] The mass media often asks about this, saying that the Democrat Party was in control there first and that we must wage a fight against the Democrat Party. I have responded to this question many times and must repeat what I have said before. We have never thought about waging a struggle against the Democrat Party or about who controlled the south first. Political work is between the politicians and the people. The question is whether we will be able to win the hearts of the people. In each period, the question is, In whom will the people put their trust to solve the problems? These are the issues that we will stress. To whom will the people entrust the political future for a long time? How will they benefit? They have to estimate the benefits themselves. I think that the people of the entire country, and not just the people in the south, want political change. Everyone wants to move forward. No one wants to stay in one place. I am not saying that the people of the south or the people of the country want just one thing. That is not what I mean. What I mean is that once we understand this, we have to do our best to move toward a better future. If we can't conduct ourselves in a trustworthy manner, the people will not have confidence in us. This is the important thing. It's not a matter of fighting another party. Actually, we are waging a struggle with ourselves.

[Kongkiat] How many candidates have been selected. You still have legal problems that prevent you from running as a candidate. Will that affect the number of MPs in the south?

[Wira] We have selected about 90 percent of the candidates. As for myself, when I joined the NAP, it was well known that I couldn't run for election and that it would be at least another year before I could run. Thus, I don't face any obstacles in making preparations, because I am part of the support forces for the candidates. The people in the south know this. They are aware of the facts. I have never concealed this. I have been open about this.

But I think that there are a large number of people who would like me to run for election and play a role in parliament. Even during the past parliament, there were many who wanted that. Because if I was in parliament, I would probably add some color to politics. But as everyone knows, I don't have the right to run for election. Because of this, I have to carry on activities in another form. This isn't a problem. I am supporting my friends in their bid for election.

[Kongkiat] Many people have said that after the election, the NAP will almost certainly be an opposition party. What is your view on this?

[Wira] I am glad. I think that my view is opposite that of those who have made this observation. Political observers or newspaper columnists have jeeringly written that after the election, the NAP will become an opposition party. Actually, if they are simply analyzing things, there is nothing wrong with that, because they are just trying to figure out who will form the government and who will be in the opposition. But most of these writers do not stop at analyzing things. Their writings can be construed as insults concerning people's lack of ability, saying that after working hard for a political party, in the end the party became an opposition party. I consider such writers to be very mean-spirited people. They have political qualifications that they can't use. They are not suited to be neutral observers between the politicians and the people. In principle, I think that you can work for the people whether you are in the opposition or in the government. A good government needs a good opposition. A bad government needs an even better opposition in order to protect the interests of the people. Thus, everyone who becomes involved in politics, whether they are in the opposition or the government, must carry out their duties for the people. I don't consider serving in the opposition to mean a drop in status or serving in the government to mean a rise in one's status. That is the view of low-class people. Such people view politics as a matter of power and interests. It is because of such thinking that Thai politics has failed to move forward. That was particularly true during the time of the Chatchai administration, which ended in a coup. Because there are many such people in society, politics is viewed as a matter of power and prestige. People want to become ministers. They become engrossed with money and end up engaging in corruption. In the end, they hope to become part of the government in the future. That is, they are preparing for the election and getting ready to cheat and buy votes. As a result, politics suffers. The reputations of those who want to engage in politics for the sake of politics suffer, too. With respect to the previous administration, there are reasons for applauding the National Peacekeeping Council for seizing power and trying to destroy these terrible views. At the very least, this has put a stop to this temporarily. We will start over again. But unfortunately, now that we are starting over, people with the same old views are again playing a role. As more and more such people become involved in politics, values in society will

lean that way. Thus, politicians and the mass media are tied to each other very closely. [passage omitted]

### Chonburi JUP Candidate on Election, Tricks

92SE0141A Bangkok MATICHON in Thai 5 Jan 92 p 3

[Interview with JUP [Justice Unity Party] Candidate in Chonburi Somchai (Kamnan Po) Khunpleum by MATICHON, in Bang Saen, Chonburi on 3 January]

[Text] On the evening of 3 January at Ban Saensuk Hat Won along the coast of Bang Saen, Chonburi Province, Kamnan Po, or Mr. Somchai Khunpleum, who controls the fate of politicians in the eastern region and the activist in the Justice Unity Party [JUP] in the eastern region, welcomed guests in order to receive gifts and their good wishes at the start of the new year. Most of those who visited him were businessmen and politicians. Dressed very casually, he discussed the political future of the JUP with the air of a person who is used to being in control.

[MATICHON] Have the party's candidates been selected yet?

[Somchai] Yes, they have. We have selected knowledgeable and capable people to run in Zone 1. The candidates include Mr. Nikhom Saencharoen, Mr. Thoettham Ammaralikhit, and Mr. Sanga Thanasanguanwong. Those who will run in Zone 2 include Mr. Charun Ngamphichet, Mr. Surasit Nitiwutivorarak, and Mr. Sonthaya Khunpleum. All of the candidates are from Chonburi. I thought a long time about this. I know a lot of people here and am obligated to support them. It would be bad if I refused to help them. In the past, some of our candidates were not from Chonburi. But this time, everything is free. Thus, we have selected knowledgeable and capable people. We didn't want to select people from outside this area, because they don't know the area and it would take them a long time to know what is needed here. Thus, I really wanted to pick people from Chonburi. But in the past, I was obligated to certain people. Refusing to help them would not have been good.

[MATICHON] Are you afraid of other candidates such as Mr. Uthai Phimchaichon?

[Somchai] We feel sure that two of our candidates will win this time. But the third is still trailing. But the people of Chonburi know that they have spent almost 2 billion baht. We are confident that the people will support us. The opposition parties haven't done anything useful. All they have done is spent money to develop the provinces of the MPs [member's of parliament]. They spend 500-1,000 baht each time. They really haven't accomplished anything. But we have carried on projects that benefit the people. In particular, municipal and submunicipal administration has been carried on by our group. In Chonburi, there are five municipalities and one city, Pathaya. The administrators are all members of our group.

We don't fear Mr. Drong Singtothong of the New Aspiration Party, because he is already very old. He tells the people that he will do this and that, but he has never actually done anything for them. Only our group has listened to the people, and so we are confident that all three of our candidates in Zone 2 will win. In the past, we did not monitor things there and were careless. But this time, we have great hopes.

[MATICHON] Why are you running as a member of the Justice Unity Party?

[Somchai] In the past, I belonged to the Social Action Party [SAP], because I belonged to the Phong (Phong Sarasin) faction. A conflict arose within the party, and Phong left the party and founded the Democracy Party. Because I was a member of his faction, I had to leave the party, too, although I did not have problems with anyone. We formed our own party. I was not as close to those who remained in the SAP as I had been to Phong. When Phong left the party, several other parties asked me to join their party. But I joined the JUP, because most of the people in this party, from the leaders on down, are former members of the SAP. We know each other well and can talk with each other easily. Our policies are very similar. Our thinking on both personal and public matters is similar. That is why I decided to join the JUP.

[MATICHON] What is your view on Mr. Montri Phongphani?

[Somchai] We have been close personal friends for a long time. But I do not belong to his faction. We are just friends. But with respect to Mr. Phong, I am in his debt, because he once gave me a job. I have to follow him.

[MATICHON] What about the conflicts within the Justice Unity Party?

[Somchai] Since I joined this party, there have never been any conflicts. People have spread rumors that I will move to this or that party even though I have said that I have no plans to join another party. All of us always attend the party meetings. Twenty of us split away [from the SAP], and there are still 20 of us in this party. We have asked well-known people with a large number of supporters to join us. There have not been any splits.

[MATICHON] Are other parties still contacting you?

[Somchai] For the most part, I don't have anything to do with other parties. Deciding which party to join is a major decision. If you join a bad party, the people will have a bad impression of you. Thus, you have to analyze things carefully. There are several problems in joining another party. I have talked to senior people, and they have no objections to my running in the name of the JUP. As for why it took me so long, that's because several senior people for whom I have great respect asked me to support them, and I wanted to support them. Some senior people have asked me to provide support by

fielding other candidates. But I don't know how responsible they are. And more importantly, other MPs have been asked to run, with the plan being to divide our MPs. That has been difficult for us. We can't run with them. We have already formed a team and don't want to force someone out. If we field all six people, there won't be any problems. But if others join us, we will have to take responsibility. There are many people who don't know whom to rely on. I don't know all of those who have contacted us. There are a few senior people whom I respect and whom I would like to help. The others will just cause problems for us. They will cause divisions, with the result that we will lose.

[MATICHON] There have been rumors that the party that will join you is a government party.

[Somchai] That's not true. Regardless of which party you belong to, whether it is an opposition party or a government party, the important thing is to feel comfortable as a member of that party. Some people want their party to be in the government; otherwise, they will resign from the party. But ever since I first began supporting a political party in 1975, being a member of the government has never been the main issue for me. I am not an MP. The reason why I provide support is because I respect senior people. If I am elected, I will serve in either the opposition or the government. I can find money from other sources to develop Chonburi Province.

[MATICHON] It's said that Chonburi is the champion in fixing elections. What is your view on this?

[Somchai] That's just a rumor. As I have said before, some cheating does occur in elections. But those who have made those charges against me don't have any evidence. I have made demands, particularly in Saensuk subdistrict. I want provincial officials to form a committee to supervise the elections. I have made this request every election. But that has never been done. A committee must be established. I can assure you that I have never ordered an election rigged in Saensuk subdistrict. We may have made some minor mistakes without knowing it. My wife has never shown the wrong card to officials or been charged with violating the Election Law for having two I.D. cards. If we had rigged an election, we would have been arrested a long time ago. In particular, people such as myself have many people watching them. In politics, if I can't beat the opposition, I will admit that they are better. People can monitor the election. They won't find any irregularities.

[MATICHON] What is your view on fixing elections?

[Somchai] Actually, tricks have been played on me every time. The opposition has purchased votes and then claimed that we had purchased votes. In running for election, I have never purchased votes. I have incurred other campaign expenses. That's normal. But I have never purchased votes. As for the charges about rigging the election, you can check on that. An example is what happened in Nong Yai District, Hang Sung subdistrict. I

had about 40-50 canvassers who were campaigning for me. At noon, my campaign group was driven away. They were threatened with guns. They came and told me what had happened. When the votes were finally counted, I had only three votes left. We couldn't do anything. But the opposition received more than 700 votes. That was impossible, because I had 40-50 canvassers alone.

A similar event happened in Nong Sua Chang subdistrict. There were reports that the opposition had been marking ballots since 2000 hours. MPs were sent to inform the governor. But he went to the wrong place, and so they weren't caught. I didn't say anything and let them cheat. But we are the ones who have been accused of cheating. We have been harassed constantly, but we have never considered cheating them. We have always won our votes honestly. If the elections had been honest and fair, we would have won. There are many voters in Saensuk Subdistrict. Almost all of the voters there support my group. During the voting, from 0700 hours until the polls close, we have never cheated.

[MATICHON] In Chonburi Province, a large number of crimes are committed each time an election is held. What is your view on this?

[Somchai] I view this from a different angle. Each time there is an election, the candidates trade abuses. But we are usually the ones who come under attack. We have never retaliated, feeling that people can do what they want. This is what happens during every election campaign. We have never gotten into a fight. As for crime, that probably stems from something else. It has nothing to do with politics. It might be a theft or involve hoodlums. Stated simply, that has to do with criminals. Actually, elections concern the political parties. No one is arguing.

[MATICHON] As a mayor in Saensuk subdistrict, how will you conduct yourself during the election?

[Somchai] The law prohibits a mayor from campaigning. But if we campaign honestly, there shouldn't be any problem. That is my view. But if there are any legal problems, I may have to resign my position as mayor so that I can help campaign. Because at the very least, the party will want me to serve as the director of its eastern center. And this time, my son will run for election, too. I will have to campaign vigorously. That is certain. And in order to keep my reputation from being tarnished, I may have to resign my position as mayor. I have resigned before during elections.

[MATICHON] In your opinion, what does the phrase "use influence in elections" mean?

[Somchai] That's difficult to say. Whatever I say, it will seem as if I am defending myself even though I have never used influence. During past elections, as people know, we have never threatened anyone. We have relied on our friends and supporters. They have supported us fully. As for using influence, the truth is, others have used their influence against me. I am very careful. I don't

want to do anything that would tarnish my reputation. I have always waged an orderly campaign. Politicians talk about "influence," because they are afraid of losing and want to gain votes. If they attacked some other candidate, it wouldn't amount to much. But because I am the core of the Chonburi MPs, they are attacking only me. They blame me for everything that is bad. But I don't hold a grudge against them. This is what happens during an election. For me, this is quite common. I said that 10-20 years ago. I have tried to do everything properly. The people in Chonburi know this. The exception is businessmen who have invested here. Thus, Chonburi's image is that of a place of influence. This has tarnished the image of the people here. It has hurt the province's image. Investors are concerned about this and don't dare to invest. I would like to tell the opposition candidates that if they want to attack me, they should attack me on some other issue or propose a policy that we can debate. That would be a better way to conduct this campaign. Influence is a thing of the past in Chonburi.

#### Provinces Contain 'Widespread' Vote Buying

92SE0141B Bangkok LAK THAI in Thai 6-12 Jan 92  
pp 3, 4

[Text] Four volunteers who are participating in the project to disseminate democracy at the village level sent a report to the Ministry of Interior stating that there is widespread vote buying in 19 provinces. In the northeast, the provinces are Nakhon Ratchasima, Surin, Ubon Ratchasima, Roi Et, Khon Kaen, Udon Thani, Buriram, and Sisaket. In the eastern region, the provinces are Prachinburi, Rayong, and Chonburi. In the north, the provinces are Phetchabun, Nakhon Sawan, Lamphun, Phrae, and Chiang Rai. In the south, the provinces are Nakhon Sithammarat, Songkhla, and Yala. The provinces in each region where vote buying is most prevalent are Nakhon Ratchasima, Prachinburi, Phetburi, and Nakhon Sawan.

### MILITARY

#### Columnist on ASEAN Reaction to U.S. Bases

92SE0174B Bangkok DAILY NEWS in Thai 21 Jan 92  
p 2

[Column by Trairat Sunthonpraphat]

[Text] The removal of the American military bases from the Philippines poses a problem for several countries in this region. The Philippine minister of foreign affairs has been very concerned that other countries will ask to have those bases moved to their country. It's strange that several countries have denied this. Singapore, which is not afraid of anyone, openly announced that it would welcome the American bases.

The Philippine foreign affairs minister probably feels as if he has been betrayed by several countries. Mr. Raul Manglapus has revealed that it has been learned that

several ASEAN countries have offered ports to the American forces. He has criticized Indonesia, Malaysia, and Thailand, saying that all of these countries want the Subic naval base moved to their country, and the United States might move some elements.

The Philippines effectively forced the United States to remove its bases by demanding that the United States increase the amount paid to lease the bases. If it refused, the Philippines did not think that it was worth the risk of having the bases located in the Philippines, because the enemy in the jungle could cite the bases to attack the government. But the Philippines was in a poor position. Its economy was very weak, and it needed that money. When the United States refused, it decided to have the United States remove its bases.

The United States, too, is in bad shape. It is in a serious economic recession. Thus, the Bush administration is not in a position to pour more money into the Philippines. Moreover, communism has gone bankrupt. The cold war is over. In Asia, there is no longer any threat of invasion by a communist country. Thus, the United States isn't very worried. If it has to keep its bases, it plans to keep only certain units.

Singapore seems to be the first choice of the United States. It is located near the Philippines. Internal security within Singapore is very good. There is no opposition within the country. But in Malaysia, Indonesia, and Thailand, there would probably be strong opposition to this. And these three countries have greater internal problems than Singapore.

I don't know where he got his information, but the Philippine foreign affairs minister said that Thailand has proposed allowing the United States to use military bases here and base warships and combat forces here just as in the past, that is, during the Vietnam War. Mr. Manglapus also says that the U.S. Government is very interested in using military bases in Malaysia. But he did not say if Indonesia will allow the United States to build a base there.

Prior to this, Malaysia took quick action, because it was certain that George Bush would station some units in Singapore if it had the chance. Mr. Mohamad Mahathir, Malaysia's prime minister, quickly issued a statement saying that ASEAN is opposed to the United States having bases in this region.

Thailand quickly denied that it had proposed allowing the United States to establish bases in Thailand. But many people saw that there were certainly grounds for this.

The world has changed greatly. The Cold War has ended, and the communists no longer pose a threat. Having these bases here would be good, because it would enable us to cut back on our military budget, and there wouldn't be any danger of war. The Philippine foreign affairs minister had good grounds for saying that several countries in this region would like the United States to build

bases in their country. Perhaps this is why the United States did not pay much attention to the proposal by the Aquino government and was glad to remove its bases. This is why the pressure applied by the Philippines did not have any effect.

The United States is considering reducing the size of its military forces and cutting its defense budget. Thus, the timing was just right. I doubt that the United States will seriously consider establishing large bases elsewhere in place of those bases. It realizes the importance of this region and will probably keep bases in certain places. Along with this, the United States will probably try and get Japan and South Korea to play a greater role. That's enough for the new role of the American giant.

### Generals Question Expense of U.S. Aircraft

92SE0174C Bangkok MATICHON in Thai 30 Jan 92  
pp 1, 22

[Excerpts] [passage omitted] A report from Washington, D.C. stated that the U.S. Defense Department has asked Congress for permission to sell three E-2 C Hawkeye early warning reconnaissance aircraft and various pieces of equipment to Thailand at a cost of \$382 million. [passage omitted]

In his capacity as the chairman of the security and foreign affairs committee, Police General Phao Sarasin, the deputy prime minister, said that he has never heard about Thailand purchasing these aircraft. Moreover, the Thai Government couldn't afford to buy them, because they are very expensive.

General Wirot Saengsanit, the Army chief of staff and deputy minister of communications, said that these aircraft are very expensive. The government does not have any plans to purchase these aircraft. There is no need for them at the present time. However, this aircraft is very useful. The weapons now being used by the Army are not the best, but when compared to those of other countries in this region, they can still be used.

Gen Wimon Wongwanit, the deputy minister of defense, said that except for the Condor tank, whose purchase was recently approved by the Cabinet, there are no plans to purchase other weapons systems. He said that he hasn't heard anything about the United States selling this aircraft to Thailand. This matter hasn't crossed his desk.

### Columnist Objects to Cambodia Demining Support

92SE0174A Bangkok SIAM RAT in Thai 22 Jan 92 p 6

[Column by Kittti Koetphon]

[Excerpts] A radio report stated that Thai officials plan to send 800 soldiers to help destroy the mines in Cambodia. Hearing that upset me. How much longer must we dirty ourselves in Cambodia's affairs?

When the war was still raging in Cambodia, Thailand was affected in several ways. We had to deal with the refugee problem. Large numbers of Cambodians fled to Thailand, and there are still about 350,000 here today. Because of the fighting between the various Cambodian factions, large numbers of Thais living along the border were killed, and large amounts of property were destroyed. Even today, Cambodian bandits rob and kill people here.

It cost a lot of money to station soldiers and sailors along the border, and many men were lost. The Thai Government had to do everything in its power to win the international political contest. We had to confront Vietnam while our allies, Japan and Singapore, secretly carried on trade with Vietnam.

Now that the civil war in Cambodia has ended, Thailand has even more duties to perform. We have to send the Cambodian leaders back home so that they can hold talks and reach a compromise. And we have to serve as janitors, sweeping up the garbage left by the Cambodians. Ordinary garbage is tolerable. But mines are very "dirty." They are much worse than other types of garbage.

I don't understand why the Cambodians, who are the ones who planted the mines, can't clear the mines themselves. Why do Thai soldiers have to do this? And why do we have to send as many as 800 men? Isn't that a large number? [passage omitted]

I hope that I heard the number wrong. Or perhaps the reporter read the number wrong. Maybe the actual number is just 80 men. But whether it is 80 or 800, these are all Thai soldiers whose lives should not be placed in danger unnecessarily. [passage omitted]

The work of those who clear mines is much more dangerous than that of men in other units. And they are more likely to develop nervous disorders than men in other units. This is referred to as "war nerves." It can reach the point where they don't know what they are doing. [passage omitted]

Helping others is certainly meritorious. But we shouldn't have to risk our lives for them.

## ECONOMIC

### Party Leaders Outline Economic Positions

92SE0151A Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 1 Jan 92 p 10

[Excerpts] [passage omitted] General Chawalit Yongchaiyut, the leader of the New Aspiration Party:

I think that the living conditions of the people still have many problems. An important issue is the quality of their daily lives. Their expenses are higher than their incomes. This is true in many provinces and many areas in the country. It can be said that many people are faced

with the situation in which expenses are higher than incomes. Thailand is an agricultural country, but we are trying to turn the country into a NIC [newly industrialized country]. The fact is, we are an agricultural country, which is something that people refuse to accept.

The main policy of the New Aspiration Party is that Thailand must be an agro-industrial country. We must sell mainly agricultural goods. In the future, we can move toward technological development. We will not stop this. We can turn Thailand into a center in this region on many fronts, including technology and the export of agricultural goods. We think that this can be done, because Thailand has large quantities of raw materials.

Another very important point is that something must be done to get the people out of debt. Almost 95 percent of the farmers are in debt. Because almost everyone is in debt, it's difficult to stimulate them to work. We will take steps to lower production costs and strengthen their bargaining power with respect to produce prices. We can't do this today. But if we form a government, we will do that.

We must also take action to improve the living conditions of the farmers. We must focus on small industry instead of placing our hopes in large-scale industry. What we must do immediately is build a free-trade system. Things must be carried on in a systematic way without people exploiting each other. The role of the private sector in developing the country is just as important as that of the government. Thus, the party will provide full support.

Besides this, we also have many other policies concerning the economy. The entire world is moving forward, because economic policies are now the focus of attention. Today, many countries are engaged in a cold war, or economic war. Unless we find a way to improve our economic mechanism, we will definitely have to face the consequences. [passage omitted]

### Mr. Narong Wongwan, the Leader of the Justice Unity Party

[passage omitted] An important policy of ours is to distribute incomes evenly and systematically. We want to develop the agricultural sector so that it can serve as the foundation in developing the economy of the country.

On the monetary and fiscal front, the party will take steps to maintain the stability of our currency. We will maintain a satisfactory money supply at suitable rates in order to support the economic growth of every region of the country. We will develop and establish financial institutions, commercial banks, and various types of financial companies throughout the country. We will promote savings by the people to include people of every profession. We will revise the tax system to support production and to ensure that the tax system is fair and efficient. We will mobilize capital from people in the private sector for public services activities in order to reduce the economic burden.

On the agricultural front, the party will develop agriculture in all respects. At the same time, we will bring in modern technology in order to facilitate agricultural development. Another important point is that we will try to reduce farmers' production costs. We will establish a joint public-private-farmer organization to help solve the problems. In the past, the farmers have not been treated fairly. Steps will be taken to ensure that more people own their own land.

As for the industrial sector, the party will quickly decentralize industry to the countryside. At the same time, we will give special attention to environmental issues. We will take steps to ensure that Thailand can compete on foreign markets in terms of both quality and production costs. We will encourage Thai investors to invest more abroad, particularly in Indochina and the ASEAN countries. [passage omitted]

**Mr. Bunchu Rotchanasathian, the Leader of the Unity Party**

We held a party meeting on stipulating principles or lines concerning the party's economic policy in the election campaign. Actually, Thailand's economic situation has been greatly affected since the change of administration on 23 February 1991, particularly from abroad. We may not see any effects right now, but after the election, we will be able to see what the effects are. This is a very short period of time. The important thing is that the party must raise the unemployment issue, because this is a major problem. The unemployment rate is increasing at an alarming rate. The present government may not be aware of this, because it has other matters to deal with and has been in office for only a few months. Actually, the unemployment rate is increasing at an alarming rate. The party will formulate a clear policy on solving this problem. Quick action must be taken to solve this problem. This is one of our party's main policies.

Another issue is the price of agricultural goods. At present, the price of rice and other crops has dropped greatly. But prices abroad are very high. This is because the present government is not an elected government and isn't really knowledgeable about the people's standard of living. They haven't gone out and talked with people about rice prices. This shows the difference between an elected government and an appointed government. This is an important policy. The party will have to clarify this and gather support if it wins enough votes to form an administration.

Finally, there is the issue of solving our foreign trade deficit problem. This is an important issue, too. Our trade deficit is growing worse and worse. It now stands at around 100 billion [baht]. Unless something is done about this, our trade deficit will continue to increase. And when it becomes impossible to do anything about this, the country's economic strength will decline. After the election, if the new administration doesn't take steps to solve this problem, it will just grow worse. [passage omitted]

**Major General Chamlong Simuang, the Leader of the Moral Force Party**

Our party is focusing mainly on the farmers, because farmers are the main economic element of the country. Various problems have been piling up for a long time. The farmers have been abandoned. Our policy does not focus exclusively on exporting rice. Recently, our economic growth figures have been very high, but the revenues have not been distributed to the majority of people in the country. Thus, we will focus on distributing revenues.

Besides this, another policy of the Moral Force Party is to make the people in the countryside self-sufficient. I have served as governor of Bangkok. Many people may think that because of this, the leader of the Moral Force Party will be concerned only about the people of Bangkok. But actually, I have frequently traveled in the countryside. And I have not traveled in the rural areas only during elections. I have constantly monitored the situation of the farmers. I have thought about ways to help them. I think that farmers are interested in farming methods that require little capital, for example, methods that don't require the use of chemical fertilizers or insecticides.

However, we will not ignore exports. But it must be admitted that our agricultural area has declined greatly. Unless we stop this, we won't have any agricultural land left. Then, how will our country survive? Thailand may have to import rice. The poor will be even worse off. We must also practice frugality. Senior people in the country should set an example in this regard. [passage omitted]

**Mr. Churin Laksanawisit, the Spokesman for the Democrat Party**

The Democrat Party is very upset by the fact that the present administration has not given any attention to the living conditions of the people, particularly the farmers. This can be seen from the fact that it has not done anything with respect to the policy on establishing an agricultural council. This was initiated by the Democrat Party in order to give the farmers hope. Establishing an agricultural council is a concrete policy that will benefit the farmers.

I would like to affirm that if the Democrat Party wins the election, we will take action on the agricultural council issue, because this is our policy. We have formulated a policy on the problems confronting the farmers. Resolute action must be taken to solve these problems, because 80 percent of the Thai people are farmers. Farmers form the great majority of the people in society. Farm prices are depressed. This is now a problem everywhere in the country.

Besides this, the party has formulated a clear policy on distributing revenues to the people in the rural areas. In the past, administrators have focused on economic issues affecting only a few investors. The living conditions and incomes of the people in the countryside have



remained unchanged. And in some years, crop prices have declined. [passage omitted]

I think that our economic system will improve somewhat after the election. But that does not mean that it will improve immediately. This will take time. But the country's system as a whole will improve. The people in the countryside will benefit if the country's economy in general improves. The Democrat Party has formulated economic plans and policies. We have used teams of academics and economic experts to formulate concrete plans and policies to help the people. We have not done this just to win votes. These plans and policies must be implemented, which is what the party did when it was in the government before.

**Lieutenant General Khasem Kraisan, the Secretary General of the Social Action Party**

[passage omitted] It must be admitted that during the period of administrative change, our country has suffered investment and economic losses. But this does not mean that we will have to rely exclusively on foreign investors. We must rely on ourselves and on domestic investors, too.

The present policy of the Social Action Party has not changed very much. But changes must be made, because the economic situation of each country and of the entire world is changing constantly. But as for the details, we will have to discuss things again. I want to make it clear that I did not join this party because someone sent me. I had been watching the Social Action Party for a long time, because with respect to solving the problems of the people in the countryside, this party has a better policy than other parties. I was a soldier and had to coordinate things with politicians. I understand how to solve the problems of the rural areas. After I retired from the military, I became involved in politics.

The party's policy is to turn our country into a newly industrialized country within five years so that Thailand will be on a par with other countries such as South Korea and Taiwan. We will take steps to improve the lives of the farmers in the rural areas and give the private sector greater freedom in doing business. We must cut the number of steps as much as possible. The party has a plan for increasing the incomes of the people. If we are elected and form a government, it will take only 5-10 years to double the incomes of the people. But our main policies remain unchanged. This includes guaranteeing rice prices and creating jobs in the countryside.

The Social Action Party formulated a "revolving capital" policy. The people liked this, because it created jobs and generated income for the people. This has been a policy of almost every administration ever since. We are very proud of this policy. Now that I am party secretary general, I will cooperate with every party member to continue this policy. At the same time, we will formulate other policies, such as policies on trading with other countries and investment policies, in order to keep up with the present situation.

We have thought about guaranteeing farm crop prices, because today, the farmers in the countryside are on the verge of going bankrupt. They have huge debts. But no one has been able to solve these problems for them. They have been left to their fate. We feel that something must be done to improve the standard of living of the farmers. Prices must be determined by the market instead of being manipulated as in the past. [passage omitted]

**BOI Chief Discusses Plans, Problem Areas**

*92SE0153D Bangkok BAN MUANG in Thai 30 Dec 91  
p 7*

[Report on interview with Board of Investment, BOI, Secretary General Sathaphon Kawitnanon; place and date not given]

[Excerpts] [passage omitted] Let's now look at investment in Thailand and see what plans have been made for the current situation, which is favorable for Thailand.

Mr. Sathaphon said that "the BOI [Board of Investment] is completely revising its plans. The plans are being revised, and personnel changes are being made in line with the government's investment promotion policy, which has shifted the focus from offering tax advantages to providing investment services and knowledge. In this new era, the BOI will handle things more efficiently. Those who request investment promotion won't have to waste a lot of time going through many difficult or repetitious steps. We will be able to process requests for investment promotion more quickly, because we will use modern technology. Instead of having to use a large number of people, we will use computers. The data have already been prepared. Investors who request service will be able to obtain information immediately. Let me give you an example. If an investor asks for investment promotion for some type of activity and he is supposed to receive an answer by a certain time, if he hasn't received an answer within that time, he can ask to meet immediately with a manager if there is some obstacle that lower-ranking officials can't handle."

The secretary general of the BOI also talked about this major change in the administrative system. "In view of the fact that the prime minister is the chairman of the BOI, I want to revise the plan to turn this into a model government unit. After the basic work system has been changed by using computers, officials will have time to provide more services. They won't have to do one thing all the time. They will be able to do other jobs, too. An investment principle of mine is that regardless of the unit, if the machinery stops, the unit will lose money. The same is true of people. If they just sit around, work efficiency will decline. From now on, the BOI will improve its work efficiency by using technology to help. We will use a production chain system to speed up the work. All 12 divisions will move forward together. If an obstacle is encountered and the work slows down, the managers must be informed immediately," said Mr. Sathaphon confidently.



As for investment trends in the coming period, what types of investment will the BOI promote?

The secretary general of the BOI said that "based on the past two years, it can be seen that Thailand is developing investment in the industrial and agricultural sectors. This can be seen from the fact that the export figures for these sectors have increased. The quality of our goods has increased to the point where they are accepted by foreign markets. Thus, the BOI feels that investment in these two sectors is still essential. More attention will be given to light industry. These are parts industries that have small plants located in the provinces. One of our goals is to distribute the work to the countryside and encourage the growth of cottage industries. Because in the future, once there are large industrial plants, small plants to produce parts using the skills of the laborers will come into being. For example, there will be plants to produce electric cable, plastic wire, motor parts that must be made by hand, and so on. Small plants will be built to provide support. These small jobs are very important. The large plants will have to rely on them, because it would not be worth it for them to make these things. This will create jobs for people in the countryside.

"Besides this, we will promote large projects more than small projects in order to benefit investment by Thais. We will benefit from joint investments. We will be able to study their technology. Because investors will take a greater interest in Thailand, we will have to initiate primary-level investments in order to handle the large projects involving foreign investors. Actually, we have already begun to do this, but not to any great extent. An example is the petrochemical industry. Public services still present an obstacle. But I think that we have begun to take resolute action on this. This government has allotted budget funds for this."

Mr. Sathaphon said that the government will help promote investment by adjusting the tax structure. It recently decided to impose a value added tax. There may be some confusion at first, but eventually, this will be very beneficial. In particular, for investors and exports, the value added tax will help reduce export costs. Many countries in the world have had to use this system. In some countries, there has been so much turmoil at first that the minister of finance has had to resign. But once the system has been in use for awhile, it has benefited the country. As for Thailand, we have been making preparations for a long time. We should be able to explain things to the people. But at the same time, the government must also revise customs tariffs and improve work at certain points.

As for investment promotion activities in the near future, Mr Sathaphon said that "the BOI feels that the present production policy, which calls for the production of export goods only, may be changed in order to produce some goods for domestic consumption. There are still some objections to this from producers, but an agreement will probably be reached in the future." [passage omitted]

"One factor that will benefit investments is that now that the government is trying to join forces with the ASEAN countries in order to have free trade in this region, we will become stronger economically, and this will give us greater bargaining power when dealing with European countries and other countries. I think that our economy and investments will improve greatly once again in this period.

As for our domestic economy, I think that Thai investors have begun making adjustments. They are looking at safe investments instead of being so concerned about making large profits as in the past. The BOI will provide more information and data to Thai investors. The BOI will make data available. For example, if an investor has a certain amount of investment capital, there will be data on which types of investments are suitable for him, how he should begin, whom he should invest with, which parts of the country are suitable for investment, where the resources are in the country, and so on. The BOI will provide such information to investors so that they get a clearer picture of things. Besides this, we will establish several regional offices. We will choose sites that are near investment sites and commercial airports and ports. Each of these offices will have the authority to make decisions on activities without having to wait for a response from Bangkok, which just wastes time. [passage omitted]

#### **BOI Chief Targets Foreign Investors**

*92SE0153C Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 28 Dec 91 pp 7, 8*

[Text] The Board of Investment [BOI] held a meeting on 28 December. Mr. Sathaphon Kawitanon, the secretary general of the BOI, said that investment results for 1991 were summarized at the meeting. Our economic growth rate slowed, expanding by only 8.9 percent compared with 10 percent for the previous year. At the same time, those at the meeting discussed activities for the coming year. The BOI plans to implement measures to encourage investors to invest here.

Concerning these measures, the BOI plans to send officials abroad to encourage foreign investors to invest here and to expand investment in Thailand. Officials will make eight trips to 15 countries throughout the world, which is more than last year. The planned trips are: 1. Hong Kong, 13-15 February, Mr. Sathaphon will head the delegation; 2. Japan, 1-8 March, Mrs. Wani Loetdamrikan, the deputy secretary of the BOI, will head the delegation; 3. the United States, 5-15 March, Mr. Chakchai Phanitchaphat, the deputy secretary of the BOI, will head the delegation; 4. Germany, 4-18 April, Mr. Chakchai will head the delegation; 5. Australia, 10-12 April, Mr. Phongsak Angsuphan, the assistant secretary of the BOI, will head the delegation; 6. England and Switzerland, 14-21 May, Mr. Sathaphon will head the delegation; 7. Denmark, Sweden, Norway, Finland, and France, end of September, Mr. Sathaphon will head

the delegation; and 8. Korea, between October and November, Mrs. Wani will head the delegation.

The senior BOI officials will be accompanied on these trips by people from the private sector and businessmen and investors in the industrial sector. The plan is to hold seminars and meet with businessmen and investors in 30 major cities throughout the world.

"The industries that have great investment potential include electronics, chemicals and plastics, metals, infrastructural projects, public service activities, and environmental protection activities."

Mr. Sathaphon said that investments declined in 1991, but they were still at a high level. That is, foreign investment totaled 34.2 billion baht as compared with 5.7 billion baht in 1989 and 62.5 billion baht in 1990.

"As for private sector investments, the BOI has pointed out that private sector investment has declined if this is viewed from the standpoint of the number of projects and amount of capital invested. But from the standpoint of the number of promotion cards issued and the number of activity starts promoted in 1991, investment was about the same as in 1990. That is, in 1990, 730 promotion cards calling for investments of 193.4 billion baht were issued, and 415 projects with capital totaling 77.7 billion baht got under way. In 1991, 495 cards calling for investments of 179.5 billion baht were issued, and 396 projects with capital totaling 69.8 billion baht got under way."

Mr. Sathaphon expects that private sector investment next year will be about the same or increase slightly.

### Major Banks' Indochina Operations, Plans

92SE0152B Bangkok NAE0 NA in Thai 3 Jan 92 p 10

[Excerpts] In 1991, one of the most important actions taken by the commercial banks involved adjusting interest rates. Interest rates in the commercial banking system fluctuated throughout the year. But something else that was just as important was the expansion of the base of operations of the commercial banks in Indochina. The banks established offices, branches, and even joint-venture banks. [passage omitted]

Beginning with Bangkok Bank, Mr. Damrong Krutsanamarara, the managing director, said that every bank has an equal opportunity to expand operations in Indochina. This is true for both large and small banks. But the large banks have an advantage in that they have more customers and a greater volume of business than the middle-sized and small banks. Investments are not very risky. But care must be taken with respect to the investment and commercial banking laws of those countries, because their laws are not very clear. "Investing in this way will help improve their economic systems. They are glad to have us there."

Bangkok Bank is interested more in Vietnam than in Laos, Cambodia, or Burma. It is now studying data

provided by Vietnam and has asked the Bank of Thailand for permission to open a branch in Vietnam.

What the bank is studying is the volume of business in Vietnam. It is trying to determine how much business there will be in the next 3-5 years and how much it will cost to open a branch there. However, this also depends on whether officials in our two countries approve this.

Bangkok Bank used to have three branches in Ho Chi Minh City, but they were seized more than 10 years ago before Vietnam changed administrative systems. If the bank begins operating there again, it will probably have to open new branches. After the new branches have been opened, it will hold talks on the old assets. That can't be done immediately. The bank will ask to lease these sites to open branches.

As for investment laws, in Vietnam, the law is quite clear. But the details on investment are not yet clear enough. For example, if a branch is opened, it isn't clear if the bank will be able to remit the profits home. And it isn't clear if holding property will pose a risk to funds. By the 2d quarter of 1992, the bank should be able to negotiate with Vietnamese officials about opening a branch.

As for Cambodia, Mr. Chatri Sophanaphanit, the chief executive officer [CEO], and Mr. Wichit Suraphongchai, the deputy CEO, have traveled to Cambodia to talk with Cambodian officials about opening a branch there. They went there after the Bank of Cambodia authorized Bangkok Bank and the Thai Farmers Bank to engage in a joint venture with the Bank of Cambodia.

"But Bangkok Bank would rather open a branch in Cambodia in order to expand operations without restrictions. However, we will have to wait for the decision of the Bank of Cambodia," said Mr. Damrong.

The bank is interested in Burma and Laos, too. But it feels that the volume of business there will be less and so it will study things there later. In Laos, the bank has asked its customers to contact its branches located near the border in order to facilitate transactions.

As for the Krung Thai Bank, Mr. Sirin Nimmanmoen, the managing director, said that the Krung Thai bank is fully prepared to open branches in Indochina. It is now studying the data presented by Vietnam, Laos, and Cambodia. It has already held talks with some of these countries.

"Like most investors, the Krung Thai Bank is most interested in investing in Vietnam. Vietnamese officials are aware of this and so they have made adjustments in order to facilitate this. For example, they have revised their investment law for foreigners. But their laws call for joint ventures. The law on [financial] instruments has been revised to make it more acceptable. The important thing is that Vietnam has a large volume of business, many resources, and a small working capital," said Mr.

Sirin. He added that it's possible that the Krung Thai Bank will establish two offices there, one in Ho Chi Minh City and one in Hanoi.

Mr. Narong Sisa-an, the vice chairman of the board of the Thai Farmers Bank, said that other banks are interested more in Vietnam than in Laos or Cambodia, because the volume of business there is greater. But the Thai Farmers Bank is not very interested in this country. It is just studying the data. It has not submitted the matter to Thai or Vietnamese officials. It is hesitant, because Vietnam does not yet have an investment law or a commercial banking law that will protect investors.

The Bank of Cambodia has granted the Thai Farmers Bank permission to engage in a joint venture in order to establish a new commercial bank. The Thai Farmers Bank will hold 90 percent of the shares, and the Bank of Cambodia will hold 10 percent. Operations should get under way next year. For this to succeed, the focus will have to be on the development of the financial system rather than on profits.

But there are now problems and obstacles in developing the commercial banking system, because the incomes of the Cambodian people are still very low. There aren't any savings, and the people aren't familiar with the banking system. This stems from the political events of the past. There are also other internal problems. This includes the tax collection system and the monetary and fiscal management of the country.

As for Laos, the Thai Farmers Bank just recently held talks with Lao officials. The bank asked permission to raise the status of its office there to a branch, because that will enable it to increase the volume of business. Operations should get under way by the 2d quarter of this year.

The Thai Commerce Bank was the first bank to begin negotiating with Cambodian officials. It began negotiating with them in 1990 and has entered into a joint venture agreement with the Bank of Cambodia. The Cambodian Commerce Bank was established 3 June 1991 and it formally opened on 1 July 1991. There was a gentleman's agreement (at that time) to the effect that the Bank of Cambodia would not enter into joint ventures with other Thai commercial banks. But at the end of 1991, the Bank of Cambodia revoked this agreement and entered into a joint venture with Bangkok Bank and the Thai Farmers Bank.

Mr. Naphengphasaeng Krutsanamara, the director for foreign business activities and institutions of the Thai Commerce Bank, said that the bank has sent a note to Cambodian officials asking for an explanation about this. But the agreement that was signed did not specify any penalties for violating the agreement.

Mr. Naphengphasaeng said that having another joint venture bank will probably have some effect, because it will probably take away some of the bank's market share. The fact that the Thai Military Bank plans to open a

branch on Koh Kong probably won't have any effect, because that branch will be located far away from the branch of Thai Commercial Bank, which is located in Phnom Penh.

The Thai Commerce Bank does not have any plans to carry on activities in either Vietnam or Laos. With respect to Vietnam, the Thai Commerce Bank already has a business relationship with the International Trading Bank, or VIETCOM Bank of Vietnam. What he plans to focus on in 1992 is improving and developing the Cambodian Commerce Bank in order to get the Cambodian people to accept the banking system and new technology, such as using checks. He said that the operations of the Cambodian Commerce Bank should improve greatly this year.

As for the turmoil in that country, "I think that there will be peace in Cambodia. The people there are tired of war, because the fighting there has lasted more than a decade."

As for the Thai Military Bank, it has greatly expanded its operations in Indochina. Laos granted this bank permission to open an office in 1989. It was the first bank granted this right. And it was the first bank to be allowed to establish an office in Vietnam. Besides this, at the end of 1991, Cambodia granted it permission to open a branch on Koh Kong.

The reason why the Thai Military Bank is somewhat ahead of other banks is that the shareholders in this bank are military officers. This is clear from the fact that the bank received permission from Cambodian officials to open a branch on Koh Kong. This is because it was General Suchinda Khraprayun, the chairman of the board of the Thai Military Bank, who negotiated and coordinated things.

Mr. Priphan Nunphakdi, the foreign affairs director of the Thai Military Bank, said that in 1992, the bank will focus on expanding its role in Indochina. It will try to upgrade its office in Laos to a branch and open a branch on Koh Kong. It will also invest jointly with the M Thai Group to establish a bank in Swatow, China.

The things discussed above are the activities in which the commercial banks have been engaged. Several other banks are beginning to play a role in Indochina, too. This is because the large banks all feel that getting a head start on other banks, even if somewhat risky, will give them an advantage.

The medium-sized and small banks share similar feelings about this. That is, unlike the large banks, they don't have the strength and are not as well prepared. They will have to wait and see what the situation is like. And they want those countries to promulgate a law that will protect investors or promulgate a clear commercial banking act. They are also waiting for the political situation in those countries to settle down. Otherwise, the risk would be too great for them.

The officers of the Laem Thong Nakhon Thon Bank and the Thai Thanu Bank gave similar responses. That is, they said that they are studying things and waiting to see the results of the operations of the large banks. They will wait until domestic operations improve before thinking about expanding abroad.

A report from the Si Nakhon Bank stated that based on studies conducted by the bank, Vietnam seems to have great potential. But one obstacle is the bureaucracy, which makes establishing contact difficult. As for Laos, the volume of business there is smaller than in Cambodia or Vietnam, but it is more secure.

"The policy of the Si Nakhon Bank is to obtain data for long-term study. We will do things like the larger banks."

A news source in the Asia Bank said that the large banks have investment funds and the power to penetrate markets even if those countries do have fundamental problems, that is, they do not yet have clear investment and commercial banking laws. Thus, the medium-sized and small banks do not think that making investments there is worth the risk. Moreover, the political problems have not been fully solved.

As for contacting the International Trading Bank, or VIETCOM Bank, the Asia Bank has been in contact with this bank for several years and has approximately five customers who have made investments. Most are investments in agricultural activities. The bank has opened letters of credit in order to facilitate things for customers. As for Cambodia and Laos, the bank is not sure of the situation in those countries," said the news source. [passage omitted]

#### **Food, Drug Official Assesses Patent Impact**

*92SE0153B Bangkok NAEO NA (LOK THURAKIT SUPPLEMENT) in Thai 8 Jan 92 p 9*

[Text] Dr. Morakot Konkasem, the secretary general of the Office of the Food and Drug Administration (FDA), said that the Ministry of Public Health did not agree with the Ministry of Commerce's proposal to revise the Drug Patent Act. But now that this act has been approved by the Legislative Assembly, the Ministry of Public Health must act in accordance with this new law. It will have to find ways to solve and prevent problems.

Now that this Drug Patent Act has been promulgated, drug prices will increase, but they won't increase immediately. The effect will be felt over the next five years. No one can predict how high drug prices will rise. Other factors must be considered, too, such as the cost of the raw materials, the cost of the equipment used to manufacture the drugs, the value of the currency, and the economic situation at that time. But the Ministry of Public Health is trying to keep this from causing problems for the people.

Dr. Morakot said that not every drug will rise in price because of the passage of this act. Only new drugs whose

patents have been registered will increase in price. The Ministry of Public Health will use these new drugs as little as possible. It will compare the qualities of older drugs with those of new drugs used to treat the same disease. Drug compounds may come from the same types of drugs. But prices may differ, because one brand may have registered its drug as a new drug. As for imported drugs, an effort will be made to produce drugs of similar quality domestically.

"The Ministry of Public Health will try to act in accordance with the new Drug Patent Act. Consumers will have a choice of drugs just as in the case of other consumer goods. We want to foster understanding among consumers and prevent them from using medicines extravagantly."

Dr. Morakot said that he is opposed to having the Ministry of Public Health monitor and control drug prices, because the ministry does not have knowledge about the price of goods. This should be the responsibility of the Ministry of Commerce. The Ministry of Public Health will cooperate in providing information and data as a basis for monitoring drug prices.

#### **Labor Leader on Poor Protection, Low Wages**

*92SE0152A Bangkok NAEO NA in Thai 22 Dec 91 p 7*

[Interview with Labor Congress Chairman Chin Thaphpli by NAEO NA Correspondent; place and date not given]

[Excerpts] [passage omitted] [NAEO NA] There are now six labor unions, but they rarely cooperate in waging a struggle.

[Chin] Yes, there are six labor unions, but some of these groups are not independent groups. They were formed by the Security Council. Some of these groups have been infiltrated by employers' groups. The employers have formed these groups to act on their behalf. Some of these groups are not democratic in nature. Thus, we must let the people decide which groups they want. These are similar to political parties. That is, there are now many parties in Thailand. It's not strange that there are many labor unions. I would find it strange if they all joined together. That would be a dictatorship. But acting in accord with democratic principles and following the path of peace is a viable choice for laborers. In the past, there were five unions. There were labor union members in more than 600 places. The five unions had a membership of approximately 300,000 people. About half of the labor unions refused to join the Labor Council, because they didn't know to which faction they would belong. And they didn't like it. Thus, they formed a sixth union. That was their choice. I don't find it strange that people have split into different groups. It's a matter of competition.

[NAEO NA] Why has the bargaining power of laborers declined?

[Chin] In the past, we had the state enterprises, which had greater bargaining power than the private sector. Mr. Phaisan Thawatchai-anan was the leader. After Mr. Phaisan stepped down as labor leader, the labor movement declined in strength. But the state enterprises continued to provide leadership. Today, the government has disbanded the state enterprise labor unions. Now, there are labor unions only in the private sector. These must become stronger, because they used to be very weak. They always relied on the state enterprises. They are now taking steps to strengthen themselves and determine who the labor leaders should be in the present period. [passage omitted]

[NAEO NA] Some people think you have bargaining power because you rely on politicians.

[Chin] Actually, the labor groups are democratic in this respect. The laborers should have their own party, just as in civilized countries. But today, those with financial power can control the labor leaders and change their ideals. This is because the labor leaders are in a very difficult economic situation. They are like the weak trying to help the weak. They can't provide much help. Thus, when they are offered money, they decide to take the money and use it to benefit their people. But by doing so, they become the tools of the politicians who are looking for profits. We oppose this. We want laborers to be independent. It would be best if we had our own party in order to prevent others from using us as tools.

Laborers hope that a Ministry of Labor will be established, because that organization could look after the interests of the laborers in the country. There are about 30 million laborers in the industrial sector and about 20 million in the agricultural sector. There are 30 million people, but they don't have an organization to look after their interests. We should have a Ministry of Labor just as in the civilized countries. Today's labor groups are now split in their views. But the goal of their struggle is the same. It's like the political parties, which all have the same goal but which have taken different paths to reach the goal. The sixth union was formed only recently. It is relatively independent. We are working to solve the problems of the laborers. We aren't sitting by idly. Some people may think that we are waging a fight to win votes or to obtain compensation of some sort and that we are united on only some issues. But in carrying on things, everyone does things his own way. That is the same as the political parties. They all start by calling for democracy. But during the elections, each person sides with his own group. They all do things in their own way. There is nothing strange about this. It's normal in a democratic system.

[NAEO NA] What role will laborers play next year and in the future? [passage omitted]

[Chin] People are now very poor. They are struggling to survive. Employment benefits have improved. As for rights, politically, we will probably stop our activities for now. It will probably take about four to eight years.

Today, with respect to political action, one idea is to allow laborers to move their house registrations to the place where they are working. Today, 90 percent of the laborers come from another place and don't have the right to vote. The government has not treated laborers in the same way it has soldiers. When soldiers are transferred to another unit, they are assigned to that unit and have the right to vote. But if a laborer moves from the countryside to Samut Prakan Province, his house registration is not transferred. There are no laws and no one is transferring him. It's difficult for him to move by himself. Usually, laborers live in rented houses. And the owner of that house won't allow him to transfer his house registration. And the same is true for the owners of the factories. This is the problem. We plan to take steps to set up congress offices to which members can transfer.

[NAEO NA] What should the minimum wage be?

[Chin] It should be 120 baht. We want the full amount and hope that the government won't bargain any more. It's like asking for candy or meeting each other half way. Actually, we figured 141.67 baht, but we know that that is too high for employers and so we are asking for 120 baht. We want laborers nationwide to receive that. The government must set the minimum wage for laborers at 120 baht. In return, we will help develop the country. We have the laborers to do that.

[NAEO NA] What are the lives of Thai laborers like today?

[Chin] Most of the laborers in the industrial and service sectors are women who have left the agricultural sector. They have left because the income that can be earned simply isn't worth the cost. Financiers squeeze prices. The companies that sell agricultural products are rich. They are millionaires. They have billions of baht. But the farmers are poor, and they are heavily in debt. They are living in poverty and can no longer bear it. This is why young people have abandoned agriculture for the industrial sector. When they start earning some money, they send money home. Men work in the building sector both here and abroad. Some work on fishing boats. Some have been successful and others have come to a sad end.

The lives of the laborers have been difficult for a long time. Work safety and the work environment are not good. It is usually very hot, and the air ventilation systems are poor. There is much dust and not enough light. There is too much noise. Wages and benefits are low, but they must work hard. In some places, laborers have to work for more than eight hours a day. To survive, workers have to work overtime, because the average wage is less than 100 baht a day. The employers pay for 26 days out of the month. Work security is poor. Young workers are brought in and made to work very hard. But when they reach the age of 32-40, they are fired. It's difficult for people of this age to find another job. Most employers are looking for people 18-20 years of age. Nothing is being done to upgrade the knowledge

of the workers, particularly concerning new technology. Most have only a primary to secondary level education. [passage omitted]

**Police Pledge Cooperation on Copyright Violators**  
*92SE0153A Bangkok DAO SIAM in Thai 8 Jan 92 p 4*

[Text] In his capacity as head of the special action unit to suppress economic crimes, Police Colonel Wanlop Watchanaphuk, the superintendent of the Alien Registration and Taxation Division, talked with reporters following a meeting held at the Ministry of Commerce to review the actions taken to put a stop to copyright violations involving tapes and video recordings. He told the reporters that at the meeting, Mr. Kroekkrai Chiraphaet, who chaired the meeting, said that now that the United States has expressed satisfaction with the steps taken and temporarily ended its investigation of violations of U.S. copyrights, the Ministry of Commerce wants the police to continue taking resolute action to suppress copyright violators.

Police Col. Wanlop said that there used to be lack of mutual understanding regarding the documents, but that problem has now been solved. The owners of the copyrights now understand that the reason why we have sometimes asked for three-four types of documents in conducting the investigation is so that we can take resolute action in accordance with the law. That benefits the owners of the copyrights. The police have tried to

arrest and suppress the violators. The police have already arrested the major suspects.

"We are doing our best in order to send cases to trial within six months. Our problem today is that we have to translate the foreign laws concerned so that they can be included in each file. These foreign laws are very long and difficult to translate into the Thai language. Each law is more than a hundred pages long. We are now discussing things with the Department of Public Prosecutions to see if we can provide just one copy of the translation of the foreign law and turn it over to prosecution officials for safekeeping. Prosecution officials and the courts could then ask to use it whenever necessary. By doing things this way, we wouldn't have to attach a copy to each file, which wastes time and money unnecessarily."

Based on the evidence seized to date, most of the pirated video tapes have been copies of American goods. But the pirated musical tapes have been copies of both American and EC [European Community] goods. The committee that met that day, which is composed of representatives from the Ministry of Foreign Affairs, the Department of Public Prosecutions, the Police Department, the Ministry of Commerce, and the Ministry of Education, will have to gather data on violations of EC tape and video copyrights so that the deputy undersecretary of commerce can use these data in negotiating with EC officials in the future.

## POLITICAL

## Official Interviewed on Draft Constitution

922E0085A Ho Chi Minh City TUOI TRE  
in Vietnamese 11 Jan 92 p 2

[Interview with Lawyer Nguyen Huy Thuc by TUOI TRE Correspondent Huy Duc in Ho Chi Minh City; date not given: "Strongly Push Forward Economic Renovation and Simultaneously Carry Out Steady Political Renovation"]

[Text] Lawyer Nguyen Huy Thuc once participated in drafting the 1980 Constitution and was a deputy to the Seventh National Assembly. He is currently a legal adviser to the Council of State and a standing member of the 1980 Constitution Revision Committee. On the occasion of his visit to Ho Chi Minh City on an official mission, a TUOI TRE correspondent exchanged views with him on some important amendments to the draft revised constitution that was published recently for public comments.

[Huy] *Compared with the 1980 Constitution, the revised Constitution has 19 new articles and 111 revised articles out of the total 147 articles, and there have also been radical changes in its contents. So, why don't we call it a new Constitution?*

[Nguyen] The Constitution is the fundamental law of a nation. Normally, a new constitution is drafted only when the country undergoes watershed changes. Our country is currently undergoing great changes under the effects of the renovation process. However, these are not watershed transformations. Therefore, although the 1980 Constitution will be *radically and comprehensively* renovated, this is only a renewal of the status quo to make it more appropriate and to meet the demand of implementing the party's renovation line, namely, *strongly push forward economic renovation while carrying out steady political renovation*. This is different from the 1980 Constitution, which was called the *new Constitution* because after 1975, the country reached a new turning point: The entire reunified country advanced to socialism.

[Huy] *The published draft is called the third draft. Would you please tell us about the more progressive points and revisions contained in this draft compared with the first two drafts?*

[Nguyen] It is very difficult to say precisely what is more progressive in the third draft compared to the first and second. Each revision has added new portions and changed and rearranged the old ones. It is also very difficult to determine why the later draft could be said to be more progressive than the earlier ones, but we must say that each revision, which was done following a process of careful consideration and discussions, has brought the draft closer to the real situation. However, because of the complicated character of some issues, there have been cases wherein stipulations in the first

draft were revised, only to be restored in their original text in the third draft. For example, according to the first draft, the chairman of an administrative committee must be appointed in accordance with the nomination by the people's council at the same level. This nomination requirement was dropped in the second draft but restored in the third draft.

[Huy] *But could you give some examples of the points that have been readjusted?*

[Nguyen] The revised points that have drawn the most public attention are probably those revolving around the question of organization of the state apparatus. Here are some examples:

- The first draft stipulated that there should be a national president with broad powers and that the National Assembly should legislate and have no standing organ (namely the Council of State, the National Assembly Presidium, or the National Assembly Standing Committee) empowered to issue regulations. The third draft provides for a Council of State serving as the standing organ of the National Assembly and empowered to issue regulations.
- The first draft stipulated that people's councils should be established in provinces, municipalities directly subordinate to the central government, and at equivalent levels, in cities and municipalities subordinate to a province, and in villages and towns. Thus, the people's councils in precincts, districts, and subwards of the municipalities subordinate to a province and towns were abolished. The third draft provides for people's councils to be set up in administrative units as determined by law. This means that there may be administrative units without a people's council. But, from now until the end of their term of office (1994), the current people's councils will be maintained....
- The first draft stipulated that the chairman, vice chairmen, secretary, and at least one-third of the members of the Nationalities Council should work under a system of specialized responsibilities. The chairmen, vice chairmen, secretaries, and at least one half of the members of the permanent committees of the National Assembly should work under a system of specialized responsibilities. The third draft leaves the number of members of the National Assembly Nationalities Council and permanent committees who should work under the specialized responsibilities system to be determined by law.

[Huy] *The third draft provides for a Council of State and affirms that its chairman is the head of state. Thus, there will be an individual head of state, but the most important matters will be decided collectively (by the Council of State). Would this be an exercise in formalism?*

[Nguyen] According to the 1980 Constitution, the Council of State was the *collective head of state*. In accordance with the third draft, the Council of State is not the head of state, but *its chairman* is. The Council of

State chairman has some particular powers to perform his duties as head of state. But with regard to the most important matters, the revised Constitution gives the power to discuss and decide them to the collective Council of State. This thereby provides for a combination of collective and individual and a firmer guarantee.

[Huy] *The question is still under discussion, but according to the third draft, the prime minister (or the chairmen of upper-level administrative committees) is empowered to appoint or transfer the chairmen of provincial and municipal administrative committees (or chairmen of lower-level administrative committees). Yet, the Constitution stipulates that this should be done on the people's councils' recommendation. If so, will it still be possible to exercise the power to transfer?*

[Nguyen] This stipulation broadens the powers of the prime minister and administrative committee chairmen to ensure a dynamic and efficient management of the administrative apparatus. The draft constitution's additional stipulation that the appointment and transfer of administrative committee chairmen must be done "on the recommendation of the people's councils" is based on the real conditions of our country. This is to ensure that the appointment of an administrative committee chairman also has the consent and support of the collective people's council of the same level.

[Huy] *The revised constitution also responds to the party policy of renovating and state apparatus, especially the National Assembly. One of our National Assembly's limitations is the fact that its deputies hold many different positions concurrently. But we see that the draft constitution has not dealt with this matter. Why?*

[Nguyen] Neither have we seen that the Constitution of any country specifically determines the number of National Assembly deputies in charge of exclusive duties. As a matter of fact, in the lower house of the French National Assembly, up to two-thirds of deputies do not take responsibility for any particular field of activity while no less than three-fourths of the upper house members concurrently hold other positions. In the main, the Constitutions of various countries specify a number of professional positions which national assemblymen are not allowed to hold concurrently. For example, some countries prescribe that cabinet members may not be National Assembly deputies; others rule that members of the public security service and military may not be National Assembly deputies; yet some others stipulate that state officials also may not be National Assembly deputies.... Naturally, the trend of the world is increasingly against the practice of National Assembly deputies concurrently holding other positions. This is to create more favorable conditions for the National Assembly to perform its functions, in particular its supervisory duties, as the highest organ of state power. In the third draft, the stipulation that, aside from the prime minister, other members of the government do not necessarily have to be National Assembly deputies and

the initial consideration of determining a definite percentage of deputies to be in charge of specialized duties in various National Assembly committees are steps taken in conformity with this spirit.

[Huy] *Article 4 of the 1980 Constitution stated that "party organizations operate within the framework of the Constitution." The third draft further stipulates that they operate "within the framework of the Constitution and law." What does this mean?*

[Nguyen] This stipulation is meant for added strictness. During the 1970's, our legal system was not quite developed yet, but now it has acquired a relatively sufficient number of necessary legal documents, although there still is a lack of laws, especially economic legislation. The Constitution only stipulates the general; it is the law that will determine the specifics for implementation. As the party leads the state and its line is institutionalized into law, it is all the more imperative for party organizations to abide by the law in an exemplary manner.

[Huy] *In this article, the second draft said: "All party members and organizations operate within the framework of the Constitution and law," but the third draft only mentioned "party organizations." Why the change?*

[Nguyen] After discussing this matter on several occasions, we came to the agreement that only party organizations needed to be clearly affirmed as having to operate within the framework of the Constitution and law. As for party members, who are also citizens, this is obvious.

[Huy] *In the process of discussing and making suggestions to the first draft revised constitution, some opinions brought up the doctrine of separation of the three powers: the legislative, the judiciary, and the executive. But the third draft also affirms that in the state apparatus there is only the division of labor and responsibilities. Would you please explain the basis of this affirmation?*

[Nguyen] The various doctrines of separation of powers came into being before the French Revolution. At the time, all attempts by the French bourgeoisie to develop were checked by absolute monarchy. The watchword of the bourgeoisie then was its explanation that stagnation and the lack of democracy were caused by the feudal regime's bureaucratic centralization of power. The bourgeoisie also put forth the doctrine of separation of powers to rally forces. An ideologue at the time advocated the separation of seven and four powers. But Montesquieu divided powers into three categories: the legislative, the judiciary, and the executive. He explained this separation of powers by a famous statement: "Virtue needs to have its limits. To prevent people from abusing their power, there must be a mechanism for power to check power." But after the bourgeois revolution succeeded, in reality there was no constitution of any bourgeois state that correctly embodied this doctrine of power separation. The 1787 Constitution of the United States has been extolled as being the most typical of the separation of powers. But in concrete application, the



U.S. vice president is the speaker of the Senate. Thus, how can it be said that the legislative and the executive are separated powers? The U.S. President also appoints judges to the Supreme Court. Thus, there is no separation between the executive and the judiciary. U.S. theorists themselves have said: If we applied the doctrine of separation of the legislative, the judiciary, and the executive, we would chop up the power of the state ourselves and weaken and neutralize the state. There are times when the state must have the centralized and unified power to make decisions.

In our country, the power of the state is concentrated in the National Assembly, but the National Assembly does not do everything itself. The National Assembly keeps for itself the legislative function and assigns the executive function to the government, the adjudicative function to the courts, the control function to the organs of control.... These organs are set up and supervised by the National Assembly; if necessary, the National Assembly may dissolve them. Thus, the bourgeois doctrine of power separation may only have some points to which we can refer. For example, promoted by the discovery that the concentration of power in an organ may easily lead that organ into abusing its power, we have carried out a clear-cut division of labor and responsibilities so that each sector can satisfactorily fulfill its responsibilities and coordinate and associate with other sectors to create an aggregate strength of unified state power.

[Huy] *In the chapter entitled: "The Economic System" the draft affirms that the multisectorial economic structure relies on the system of all-people ownership, collective ownership, and private ownership, but it also affirms that the "all-people ownership and collective ownership are the foundation." Does this in any way contradict another viewpoint expressed in the draft that "all economic sectors are equal before the law?"*

[Nguyen] Before talking about this matter, we must recognize a common goal, that is we are building the country in accordance with the socialist orientation. The affirmation that all-people ownership and collective ownership are the foundation is based on a long process of development. If these ownerships are not yet strong enough to be the foundation at present, we must create proper conditions for them to become one step by step. This is in no way contradictory to the affirmation that all economic sectors are equal. The Constitution and law have clearly defined all the factors necessary for ensuring their equal development. We should also add that when we say the state and collective sectors will serve as the foundation, this does not mean that they will bully and strangle other economic sectors. All-people ownership and collective ownership can become a firm foundation only if other economic sectors develop strongly.

[Huy] *The current draft constitution still contains too many "rights" and issues left open-ended "to be further determined by law." Of course, the Constitution is the fundamental law and cannot deal with everything in detail. However, in reality, when we leave matters to be*

*defined by law and relevant legal documents, is it not true that not a few "rights" have been violated?*

[Nguyen] Basing themselves on the real situation, the National Assembly and executive organs may concretize further those issues that are not defined in detail within the framework of the Constitution. If there should arise a situation like the one mentioned by your paper, I think that we must strive to overcome it. On the basis of the Constitution, subsequent stipulations should not be used to contradict but to substantiate its provisions so that the Constitution can really make a way into life.

### **Ideas Contributed to Draft Constitution Noted**

922E0085B Ho Chi Minh City TUOI TRE  
in Vietnamese 14 Jan 92 p 2

[Article by Nhan Tam: "Notes on the Ideas Contributed to the Draft Revised Constitution"]

[Text] The draft amendments to the 1980 Constitution show much progress and reflect the spirit and contents of the renovation process. Most of the old articles have been revised. There are 16 new articles and some old articles have been retained unchanged. The first thing to be noted is that public opinion has paid considerable attention to the chapter entitled: *"The Economic System"* and the chapter named: *"Fundamental Rights and Obligations of Citizens."* In the chapter on *citizens' rights and obligations*, social opinion has been most appreciative of the following articles:

Article 48 (new): All human rights are respected and protected by law. Article 55 (new): Citizens have the right to freely go about their business in accordance with the law. Article 65: Citizens have the freedom of movement and residence in the country and the right to go abroad and return home as stipulated by law. Article 66: Citizens have the right to inform and to be informed, enjoy the freedom of speech and the press, hold meetings, establish associations, and demonstrate.... The exercise of these rights by citizens is stipulated by law. Article 67: Citizens have the freedom of faith to follow or not to follow a religion. Temples, pagodas, churches, sacred houses, and other public worshipping places of religions are protected by the state. All religions are equal before the law. No one may violate the freedom of faith and religion or exploit faith and religion to act at variance with the law and state policies. Article 68: Citizens are inviolable corporeally.... Article 70: Citizens have the right to domicile inviolability....

Generally speaking, many articles of the draft amendments have won public approval. But if these articles are appreciated by public opinion, it is because in the past they were not quite clearly defined, were lacking, or were marred by entanglements.

### **Ideas contributed**

Proceeding from the viewpoint of inheriting the nation's glorious traditions, the viewpoint of regarding the people

as the roots, and the viewpoint of humanism, I would like to contribute some ideas as follows:

*With regard to the Preamble*, I would like to suggest that we bring out more prominently and more comprehensively the great values of our nation's thousands-year-old civilization. I would like to suggest that our historians contribute their voices to fittingly assessing and glorifying the national construction, defense, and development undertaken by our ancestors and the proceeding generations. Also in the Preamble, I would like to suggest that the sentence "Since 1986, our people have carried out a renovation process initiated by the sixth party congress..." be changed into "Since 1986, relying on the considerable intellectual source of the entire people and party, the sixth party congress, having studied, analyzed, and summed up past experiences, has launched a popular renovation process...." In my opinion, such a revision will enable people to realize that revolution is a cause of the masses and to see the people's invincible strength, and will reflect the fact that the party's views and the people's wishes are one.

*Concerning Chapter 1*, in Article 4, I would like to suggest that the term *interests* in the sentence "The party loyally represents the *interests* of the working class..." be crossed out and replaced by the term *ideal*. This is because the term *interests* is likely to cause misunderstanding that the working class put their own interests above the common interests, in contrast to our frequent statement that "we worry before the people do, we enjoy ourselves after the people do." It is necessary to make this statement clearly reflect the fact that the ideal and interests of the working class, the laboring people, and the nation are one, and that the leading class does not reserve any special privilege and perquisite for itself but struggles for the common interests, in which there are its own interests.

*Regarding Chapter 2*, in Article 15, I would like to suggest this addition: "To prevent the all-people ownership and collective ownership from becoming ownerless, it is necessary to *diversify the forms of ownership*." Reality has shown that the all-people ownership and collective ownership can be preserved and brought into play only when there are *specific owners*. (Please understand that *specific owners* are not synonymous with private ownership).

*With regard to Chapter 5*, Article 62, I would like to suggest this addition: Those women who are not in a position to get married have the right to motherhood if they wish, and this right is recognized by law and society. In the situation of our country, after 30 years of war, this is a major social problem of a deep humane character. The wish of the women belonging to this group is quite legitimate. However, at present this problem still remains unclear, lacks a definite solution, and is subject to no little criticism. Worse still, there have been cases wherein women were treated harshly, rudely, and inhumanely after they became mothers. (If it is not convenient to include this issue in the Constitution, I would

like to suggest that it be clearly defined in the Law on Marriage on Family. In Article 66, I would like to suggest this addition: *the freedom of thought, the freedom to exchange contrasting views in a cordial and constructive manner*.

*Regarding Chapter 6*, in Article 85, I would like to suggest that this addition: *Each National Assembly session must have enough time to hear the views of voters and to hold in-depth debate on important issues in the conference hall*. In my opinion, each National Assembly session should last about one month. In Article 86, I would like to suggest this addition: *Groups of citizens and individual citizens also have the right to submit legal petitions and bills to the National Assembly*.

*Concerning Chapter 7*, I would like to suggest that there should be no Council of State, that there should be only a national president elected by the National Assembly, and that the national president should concurrently be the chairman of the National Assembly. The standing organ of the National Assembly should be its Standing Committee or Permanent Committee elected by the National Assembly. Presiding over this committee should be the National Assembly chairman, who also is the national president.

#### **Jurists Contribute Ideas to Draft Constitution**

922E0098B Ho Chi Minh City TUOI TRE  
in Vietnamese 21 Jan 92 pp 1, 2

[Article by Tam Chanh: "Executive Committee of Municipal Jurists' Association Contributes Ideas to Constitution-Amending Task—Plan Calling for a National President Receives Support; Government Appoints Officials and Sets Direction for National Assembly To Move Toward Specialization"]

[Text] On 18 January, the Executive Committee of the Municipal Jurists' Association met to offer opinions on the constitutional amendment draft.

On the economic system, all committee members who spoke proposed that private land ownership be recognized. Lawyer Tran Ngoc Lieng made an analysis on agricultural land and said that the right to use land also would cover matters related to possession and the basic aspects of the ownership right would be the determining factor. He proposed that the state assert its right of ownership regarding land being a means of production. Draft III only recognizes the right to use land, and how it would assign drafting the law regarding this right would make its implementation very confusing. Jurist Hoang Trung Tieu suggested that we define forests, mountains, rivers, lakes, and all resources in the ground, sea, and continental shelf as the only all-people properties and that we recognize the right of citizens to own agricultural and residential land.

Lawyer Nguyen Van Phuong expressed the opinion to the effect that the Constitution should assert the right of private people to have economic activities in the sectors

and occupations which the law does not prohibit. Lawyer Trinh Dinh Ban thought that to affirm that the multi-component economic structure would *last for a long time* can easily create fear, instead of bringing about any consolidating and positive effect. Offering his opinion on Article 19 in the chapter on the economic system, Lawyer Ban believed that it would be rather dangerous to assert that the state-operated economy is going to be consolidated and developed in the key sectors and fields. He asked about the nonkey sectors—will the state-operated economy be developed there also? Lawyer Nguyen Minh Chuong proposed that the Constitution avoid using unclear concepts, such as one in the paragraph that states the “all-people ownership and collective ownership constitute *the key element*” or the one that says “The state manages the national economy by means of laws, plans, policies, and *other regulatory tools*.” He said that such concepts could lead to their being implemented according to one’s convenience.

On the state, all jurists advocated the plan calling for a national president, firmly establishing a system of appointment in administrative organs, and supporting the idea of setting a direction for the National Assembly to move toward specialization. Lawyer Tran Ngoc Lieng again mentioned the idea of organizing the state as a scientific subject which he had presided over in the past. He recommended that the prime minister be given the right to appoint administrative committee chairmen at the provincial and municipal levels, with *the concurrence* and not “in accordance with the recommendation” of provincial and municipal people’s councils. He said that we should not make administrative matters become local ones. Lawyer Nguyen Minh Chuong proposed that the Council of State be abolished, or in the case we want to keep it, only serve as an advisory organ, instead of the National Assembly’s standing organ. The powers and tasks of the Council of State should be transferred to the National Assembly and the government depending on the functions of each of them. Lawyer Nguyen Van Phuong offered the idea that the National Assembly should make law regarding collection of money from citizens so as to avoid the situation in which many localities, committees, and sectors would deliberately collect money for their own use. He also proposed to maintain people’s councils only at the provincial, municipal, and village levels. Jurist Hoang Trung Tieu proposed that the system of appointing officials be applied to village and subward administrative committees and replace the system of electing them as draft II mentions.

Lawyer Trinh Dinh Ban thought that the citizens’ rights as defined in the amended constitution this time (the draft) constitute a very great progress and reflect a step forward in the legal thinking. Many jurists also proposed that we clearly define the relationships among the party, the state, and mass organizations within the political system.

### Foreign Affairs Cadre on Living Conditions, Marxism

92SE0164A Bangkok SIAM RAT SAPDA WICHAN  
in Thai 26 Jan 92-1 Feb 92 pp 25, 26

[Excerpts] [passage omitted] SIAM RAT SAPDA WICHAN had a chance to travel to Vietnam last week at the same time that the Thai prime minister, Mr. Anan Panyarachun, and a group of Thai businessmen were there on an official trip. It is worth noting that a large number of people wanted to travel to Vietnam. It took a lot of effort to obtain an airline ticket, because every flight was full.

We had a chance to talk with “Dien,” a Vietnamese foreign affairs official, about the changes now taking place in his country. He said that ever since Vietnam implemented an open-door policy in 1987, Vietnam has welcomed foreigners by passing a foreign investment law in order to allow foreigners to invest in Vietnam. This brought results as soon as this law went into effect. Many foreign companies, including Thai businessmen, have expressed a desire to invest in Vietnam. Dien said that every square inch of Vietnam is like gold to businessmen. There are huge deposits of oil. Several large heavy industrial plants have been built. [passage omitted]

Dien said that a large number of new hotels have been built during the past two years. Life is now freer. There are now a large number of entertainment spots in Hanoi, but there is still a lack of adequate housing. When they marry, some children have to keep living with their parents and siblings in one small house. There is no chance for people to be by themselves. Thus, in the public gardens and under the trees along the roads, you can see young Vietnamese couples expressing their affection for each other.

“After they marry, these young couples can’t express their affection for each other at home and so they have to find someplace outside the house to do this. Sometimes, along the streets at night you can see shadows in the large parks and next to trees. This is different from before 1987, which is when we were still suffering from the effects of the war with the United States. Then, things were very difficult in Vietnam. After the war, other countries provided us with very little aid. We lacked technological knowledge, and the people lacked freedoms,” said Dien. [passage omitted]

SAPDA WICHAN asked why the statue of Lenin was still in place near the President Square at a time when Russia, which was the first communist state, has torn down its statues of Lenin. Dien said that the Vietnamese people are not very interested in this. Their only concern is with how to improve their lives and living conditions. We asked him how the Vietnamese people feel about the collapse of communism in Russia. Dien said that personally, he thinks that the Vietnamese people are more interested in improving living conditions than anything else. The people don’t attach much importance to the

changes that have taken place in Russia or elsewhere. They are more interested in their own living conditions.

There are now many foreigners in both Hanoi and Ho Chi Minh City. They are there as tourists or businessmen or in some other capacity. One of the most prosperous businesses in Vietnam today is English-language instruction. Dien said that in Hanoi, there are about 70 schools that teach English. They provide evening classes only. Foreign instructors have been hired to teach the classes. And foreign affairs officials who speak English teach at these schools to supplement their incomes. Dien teaches at one of these schools, too.

In the past, younger Vietnamese and Vietnamese in general preferred to be government officials, because in addition to their salary, after they retired, they received a pension just like Thai officials. But today, after Vietnamese youths complete their studies, they like to go to work at a foreign company even if they won't receive a bonus when they retire. Dien said that he works for the Ministry of Foreign Affairs as a courier. He is paid 200,000 dong a month, which is the equivalent of about 500 baht. He has a wife and two children. He said that he can't support his family on that salary even though his wife also earns 100,000 dong a month. Thus, regardless of the type of work, if it pays well, people want the job. In particular, those who work for a foreign company earn five times more than government officials. Thus, teaching at an English-language school is very popular. People can improve their standard of living, because they can earn more money.

"I have to teach English in the evenings, because that earns me another 200,000 dong, giving me a total income of 400,000 dong a month. That way, I can support my family," said Dien. He said that because large numbers of foreign businessmen are now coming to Vietnam, the prices of goods are rising, and customs are changing. There are now some bars and dance halls. Knowing English is essential, because people want to earn a higher income.

Dien said that in the past, the Vietnamese people lived in a very strict socialist system. It was the government that allotted food and other necessities. But things have changed now. That is, the state sets the price of food and other necessities in monetary terms instead of distributing rice and other goods. Today, the state pays with money. In the past, the people could freely stake claim to a piece of land and build a house there. But today, the state controls this. Many roads are being built in Hanoi. People are trying to make a profit from this land. Thus, the government has promulgated a law stating that people can build houses, but they can't hold title to the land.

Dien also talked about the mistakes made following the war against the United States during the period 1945-1974. He said that even though Vietnam is proud of [having rebuilt Hanoi] after it was completely destroyed in American B-52 bombing raids in 1972, the ultimate

pride of the Vietnamese people is not their victory over the Americans. What they are really proud of is the fact that they have been able to maintain their independence as a separate nation. They are more proud of that than any other victory.

"During Vietnam's struggle at that time, everyone concentrated on the struggle and war against America. No one thought about what we would do with the country after winning victory. And things have turned out as could be expected. That is, five to 10 years after the war, there was no national development policy. As a result, Vietnam has experienced problems in developing its economy. We are now far behind other countries even though we have huge amounts of natural resources." [passage omitted]

### Editorial Discusses Social Order, Discipline

922E0082B Hanoi NHAN DAN in Vietnamese  
24 Dec 91 pp 1, 4

[Editorial: "Order and Discipline"]

[Text] The renovation movement of our party and people is facing new development opportunities and great difficulties and challenges. In order to fully exploit the favorable conditions that are gradually coming into being and overcome the serious difficulties and change our country's economic and social situation, we must implement bold policies and special measures. In this, establishing order and discipline based on the new mechanism is a requirement of decisive significance.

The loss of order and discipline and the disregard for our country's laws have reached the danger level. Bureaucratic centralism, irresponsibility, corruption, and smuggling are becoming widespread. These things are occurring in many state organizations, commercial production units, and even in a number of judicial organizations, schools, and social organizations. Because this has been going on for so long, many of the correct positions and policies of the party and state, which were prepared very carefully and which have won the support and sympathy of the people, have been implemented arbitrarily or ignored completely, with the result that they have been ineffective. Not only has this caused large material losses but it has also weakened the loyalty of the Vietnamese people, reduced the people's confidence in the party and state, transformed our renovation efforts, and led to very bad results.

During the past several years, in reality, we have eliminated the basic factors forming the bureaucratic centralism and state subsidies mechanism. We must continue to strive to eliminate the old mechanism and perfect and systematize the contents of the new mechanism. But we cannot use the "old oppressive mechanism" as an excuse to arbitrarily destroy the new order that is being formed. Our country's economy is in the initial stage of the transition to a market mechanism managed by the state. In principle, every economic mechanism has its own order and discipline. The present

disregard for order and discipline cannot be regarded as necessary during the process of moving to a market mechanism and implementing an open-door policy. The more we open the door and become involved with a market mechanism, the more disciplined we must be. The development experiences of neighboring countries have affirmed this. Also, we cannot regard establishing order and discipline as a return to the old mechanism. This will not stifle democracy or suppress the capabilities and creativity of people. On the contrary, order and discipline are urgent requirements in forming and perfecting the new economic mechanism. These are conditions for ensuring the formation and expansion of social democracy and for ensuring the development of all-around freedom for all members of society.

In order to establish order and discipline in every sphere of social life, the state is actively striving to turn itself into a jurisdictional state and manage the economy and society through the legal system. This legal system is still weak and unsynchronized. We must continue to revise and perfect things and ensure a lawful environment for economic and social activities. In reestablishing order and discipline, we must concentrate above all on opposing corruption and smuggling. Each class, each sector, and each state organization must obey the laws. The production and business installations subordinate to the economic elements must operate in accord with the laws, practice strict production and business discipline and financial and monetary discipline, compete using productivity and quality, and oppose injustices in distribution, which can destroy social values. Along with this, in order to preserve and develop the traditional qualities and moral of the nation, order and discipline must be established in the cultural and spiritual spheres in order to oppose illegal activities and the import and spread of evil, brutish, degenerate, and violent culture. Public order must be maintained, the environment must be protected, human dignity must be maintained, and human life and property must be protected. These are the pressing requirements of all of society.

Establishing order and discipline in order to ensure the formation and perfection of the new mechanism is a complex and difficult struggle. Today, responsibility rests above all with those who head the ministries, sectors, and various echelon people's committees. At the same time, this is the responsibility of every state organization, every people's organization, every production and business unit, and every member of society. There can be no exceptions. No organization or individual can live above or disregard the law. Social fairness demands that every crime and every act that disrupts order and discipline be discovered promptly and dealt with appropriately.

Under the leadership of the party, a broad social movement is being formed. This will definitely generate the strength to establish order and discipline in every sphere of social life and open the way for the country to advance.

### **Eighth National Assembly Achievements Reviewed**

*922E0082A Ho Chi Minh City TUOI TRE in Vietnamese 24 Dec 91 pp 1, 5*

[Text] After Chairman Le Quang Dao read the report reviewing the 8th term of the National Assembly, on the morning of 23 December, the National Assembly debated matters in sections in order to review its activities during the past five years. The organization of this review was an unprecedented event in the history of our National Assembly and reinforced the many achievements scored by the renovation movement during the 8th Term.

### **The Clearest Achievement of the National Assembly Was the Promulgation of Laws.**

During this term, the National Assembly and the Council of State promulgated many important laws on economic matters, such as the Land Law, the Investment Law, and the Banking Law, in order to support the implementation of the new economic structure and the new economic management mechanism—a market economy. A number of the laws passed by the National Assembly during this term, such as the law on organizing people's councils, support the need to renovate the political system. In the coming term, the National Assembly will pass a revised version of the 1980 Constitution, marking a major effort by the National Assembly to systematize the all-around renovation line of the party.

During its 6th term, the National Assembly passed only the 1980 Constitution, and during the 7th term, it promulgated just 10 laws. In comparison, during its 8th term, the National Assembly has scored clear achievements in revising the Constitution and formulating laws.

However, according to the frank evaluation made by Chairman Le Quang Dao, in promulgating laws, the National Assembly did not fulfill the requirements of the new situation and tasks. There are many important and pressing laws that need to be formulated and promulgated, but this has not yet been done. This includes a labor law and a civil code. At the same time, laws that cannot be implemented have been promulgated. An example is the law to protect the health of the people.

### **The National Assembly Has Continued To Mature.**

Deputy Mai Van Bay used the image of a "stupefied deer" to describe the atmosphere at the National Assembly at the beginning of the term. For many deputies, that was the first time that they had ever engaged in political activities. And at that time, the National Assembly had not yet fully manifested the renovation viewpoint put forth at the fifth party congress. Deputy Huynh Van Hoang observed that compared with the 1st term of the National Assembly, the 8th term marked a very clear democratic step. Then, voting was just a formality. When discussing issues, the delegates all went to the rostrum and discussed things based on the same

motif. They mentioned the difficulties of the localities and the achievements scored and then asked for help. During the past several sessions, an atmosphere of debate and discussion has arisen. In some sessions, the discussions have been very lively and tense.

Chairman Le Quang Dao stressed that the National Assembly has made clear progress in solving a number of problems instead of simply rubber stamping decisions already made. The above results stem mainly from the renovation of the party's leadership with respect to the activities of the National Assembly. The party is carrying out its leadership tasks by putting forth lines and policies, with the National Assembly discussing and making decisions on issues within the jurisdiction of the state. Deputy Nguyen Xuan Oanh said that the above reality shows that simply having many parties won't ensure democracy. If a party knows how to renovate its leadership, there can still be real democracy.

That same day, during the section discussions, the National Assembly deputies from Ho Chi Minh City spent much time discussing housing prices, a matter which the National Assembly had, at its meeting on the afternoon of 20 December, questioned the Council of Ministers.

Deputies Tran Thien Tu, Nguyen Ngoc Ha, and Huynh Van Hoang said that the attitude displayed by a number of deputies at the 20 December meeting on housing prices in the city was too biting in view of the fact that they had heard only a preliminary report by the minister of construction on this complex problem. A number of deputies simply quoted municipal National Assembly deputies on housing prices, and that was improper.

Deputy Nguyen Rang said that the city's policy on housing prices has been weighed by the Municipal CPV [Communist Party of Vietnam] Committee, the People's Committee, and the Municipal People's Council. If a mistake is made somewhere, the matter must be investigated and handled there. It must not be dealt with in a hurried or subjective manner.

## MILITARY

### Colonel Interviewed on Recruitment in 1992

922E0086A Ho Chi Minh City TUOI TRE  
in Vietnamese 11 Jan 92 p 7

[Interview with Colonel Vu Phong, deputy chief of the Staff Office of Ho Chi Minh City's Military Command, by TUOI TRE correspondent Minh Thang: "What Is New in 1992 Troop Recruitment?"—date not given; first paragraph is editor's note]

[Text] The whole city is carrying out the troop recruitment plan in preparation for delivering recruits for induction on 25 February 1992. In response to the queries in many letters from youths, we have worked

directly with Colonel Vu Phong, deputy chief of the Staff Office of Ho Chi Minh City's Military Command.

[Minh] *Please tell us how troop recruitment this year differs from last year?*

[Vu] There are some differences in troop recruitment this year. They are:

—To economize on the state budget and time, all districts and precincts will deliver their entire annual quotas of recruits for induction at once. As for the city, it will continue to deliver recruits in two stages to ensure an overlapping provision of replacements to bridge the gap between discharge and induction.

—Unlike in the past years, this year any unit that needs recruits must go to each family to learn about the feelings, situation, and health of each man so that each youth it selects is a good choice that may not be changed or replaced after the day recruit delivery.

—Also in this phase of recruitment the city will entrust the local Women's Union with the task of motivating 130 young women to volunteer for service in the Army and, depending on their wishes and the personnel requirements of various units, to apply for training in various specialized branches such as the Medical Corps, the Signal Corps, clerical work, typewriting.... The length of service depends on each woman's wish.

—[Minh] *With regard to youths currently studying in vocational schools, youths who are about to go abroad; youths who once worked overseas under labor cooperation schemes or served in economic-defense units or in local militia and self-defense forces—will they be entitled to draft deferment?*

[Vu] Compared with the preceding phase, the recruitment norms for the current phase represent a 10-percent increase. People who are entitled to temporary deferment have been specified as follows:

—College or advanced school students will be accorded deferment if they have been part of the total norms of the long-term formal training classes since 1987.

—Youths attending job-training schools will be eligible for deferment if they are students of formal training classes of those vocational and job-training schools that are given training norms and provided with training funds by responsible ministries or by the people's committees of provinces, municipalities, and special zones directly subordinate to the central government.

—Regarding those youths who worked overseas under labor cooperation schemes or served in economic-defense units, they still have to comply with induction orders if they are still in the 18 to 27 year-old age bracket.

—As for youths of draft age who have been issued with a passport, they will be considered for deferment

without having to go through subsequent formalities such as an interview and checkup (in the past, they had to go through all these steps to be considered for deferment).

—The Law on Military Service does not provide for deferment for youths serving in local militia and self-defense forces. Such deferment depends on the application and consideration by the Military Service Council of each precinct and district.

[Minh] *Aside from those people, who are other youths to whom deferment also applies?*

[Vu] We should also mention another fact: The revised and supplemented Law on Military Service also adds four categories of youths eligible for deferment: children of fallen soldiers (all children of fallen soldiers are deferred); one son of category-1 and category-2 war invalids and category-1 sick soldiers; teachers, medical personnel, and members of volunteer youth forces working in the highlands or remote areas; and people whose blood brothers or sisters are noncommissioned officers or enlisted men in active service.

[Minh] *Youths national defense obligation has been clearly defined. But how about the interests of soldiers in active service?*

[Vu] In the new Law on Military Service, Articles 53 and 54 on the interests of noncommissioned officers and enlisted men in active service stipulate that from the second year of duty onward noncommissioned officers and enlisted men will be entitled to annual leave, and from the 25th month of duty onward they will receive 100 percent of an extra monthly allowance. Their parents, wives, and children will receive free medical care at state-run hospitals. They may send their children to state-run day-care centers, kindergartens, and general education schools without having to pay tuition and to make financial contributions to school building. Article 55 also stipulates that demobilized noncommissioned officers and enlisted men will be temporarily exempt from public labor duties for a number of years equal to the length of their service in the Army.

[Minh] *In your opinion, what measures should be stepped up to make troop recruitment more efficient?*

[Vu] Vocational training and job placements for demobilized soldiers are still being neglected. In my opinion, to avoid procrastination and bucket-passing, the People's Committee of Ho Chi Minh City should boldly assign to one of these three units—the city's Ho Chi Minh Communist Youth Union; the local labor, war invalids, and social welfare service; and the education and job training service—the responsibility to organize job training for soldiers.

The application of punitive measures against youths engaging in three oppositions (opposition to the registration of 17-year-old youths, opposition to checkup, and opposition to induction orders) has not been fruitful.

This time around, the city's Military Service Council will resolutely and uniformly apply these measures against all persons resisting induction orders in three stages: subjecting them to criticism in street residents cells, forcing them to perform coercive labor, and prosecuting them in accordance with Article 69 of the Penal Code. If this task is carried out satisfactorily, calling youths for induction will be done with greater fairness and convenience.

### Le Kha Phieu Discusses Setbacks for Socialism

922E0081A Vientiane PASASON in Lao  
23 Dec 91 pp 3, 4

["Excerpts" of report of interview with VPA [Vietnamese People's Army] director of the General Political Department, Major General Le Kha Phieu, on the 47th anniversary of the founding of the VPA; place and date not given]

[Text] Recently Major General Le Kha Phieu, a member of the party Central Committee and Director of the General Political Department of the Vietnamese People's Army visited the veterans' association of Vietnam and allowed himself to be interviewed by the newspaper, VETERANS [as published]. The important points are as follows:

At present socialism is in a serious crisis. Socialist systems have been overthrown in many places. The world socialist system has collapsed. The revolutionary movement has been thwarted. Imperialism has become arrogant and is attacking the remaining socialist countries and the third world with the goal of setting up a new world order directed by America.

Vietnam is an important target for their destruction. Their strategy is "peaceful change" in conjunction with political activities, psychological activities, espionage, overthrows, armed invasions, and armed clashes involving small and mid-sized forces. It cannot be denied that there will be serious consequences.

Because of this situation reported by the seventh party congress, while building the country has been made a primary duty, we stress the importance of the duty to defend the nation and of increased caution. We want to build the nation in concert with preserving the nation.

To preserve the nation now we must preserve independence, sovereignty, and all the territory of the nation. We must preserve the fruits of the revolution, the socialist system, the party and state, the mass organizations, and the work being done to build socialism peacefully in our country. A very important duty of the entire party, people, and Army now is to decide to achieve victory and to achieve victories against the "peaceful change" strategy of the enemy forces decisively and regularly on the political and ideological battlefield. We must crush every reactionary move of the enemy and evil groups, criticize incorrect ideology and correct that which is not sound, resolutely refuse to accept "many political parties" which would open the way for the deceitful views of



the capitalists concerning democracy and living standards and for the schemes of the enemy to use the mistakes and deficiencies of our party and state and of cadres and party members to cause destruction and confusion until the socialist system of our people is destroyed.

There must be close coordination between politics, economics, the military and foreign policy so that these act as a united force to preserve the nation. Since the preservation of the nation is closely linked to the preservation of socialism, and the victories of the enemy abroad are closely linked to the victories of the enemy here, we must coordinate national defense with keeping the peace. Since preserving the nation is closely linked to achieving greater peace, we must maintain political stability while pushing ahead with the task of new change.

Building a national defense among the people must begin with the duty to preserve the nation. As has been said there must be close coordination between the economy and national defense. We must work to raise the quality and strength of national defense capabilities among the people and the capabilities for people's war throughout the country and in every locality, to increase national defense training among the people, and to build defensive areas in the provinces and towns according to the necessary goals. It is especially important to build a political, economic, military, cultural, and educational infrastructure in the villages, cantons, and districts and to push for preparations for mobilization (of forces, materiel, and military industry) to be able to achieve a victory at all levels of conflict.

The above conditions demand that the military forces of the people and the people's Army have new forces which are reorganized. These must be politically stable forces skilled in military science and organized on a sound basis. They must be determined to set up a modern people's revolutionary Army step by step, sharpen their political and military skills, and have fighting spirit. Since building and politics are the basis for defeating the enemy in every instance, they must be imbued with the spirit of "independence, self-mastery, and self-reliance" in building the Army, and the Army must be determined to join in building political forces among the masses and to play a role in expanding the relationship between the party and the people and the Army and the people and in building the economy.

## ECONOMIC

### 1991 Economic Achievements Reasons for Confidence

922E0096A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 1 Jan 92 p 3

[Article by Vo Han Lam: "We Have the Right To Have Confidence in 1992 and Coming Years"]

[Text] When this article appears in front of you, we will have just entered the new year of 1992. As we look back, we have just left a year full of memorable facts, for 1991 was a year in which economic renovation continued to be affirmed and our sick economy began to stand on its own feet.

In spite of the innumerable difficulties that still existed at the end of 1991, as we review Vietnam's economy, we find that it has finished packing to be ready to travel in 1992. Grain production converted to paddy equivalent which reached 21.7 million tons in 1991, an increase of 220,000 tons over 1990, not only satisfied our domestic consumption but also made 1 million tons of rice available for export. Exported crude oil production was 3.8 million tons, an increase of 45.2 percent over the previous year. The trade balance deficit, which had amounted to billions of rubles/dollars in some previous years, was down to only 100 million rubles/dollars.

As we look back at Ho Chi Minh City, a large center of goods production for the entire country, we also find encouraging statistics. The value of its gross industrial, small industrial, and handicraft production reached 4,368 billion dong (at the 1989 fixed-price level), an increase of 7.6 percent over the previous year. Many sectors achieved a high speed of development, such as ready-made clothing (78 percent), ferrous-metal metallurgy (34 percent), chemicals (20 percent), building materials (19.5 percent), textile (14.6 percent), and so on. Many goods showed changes in their quality, abundance, and variety, and a greater ability to compete with imported goods, such as aluminum and plastic wares, ready-made clothing, T-shirts, motion-imparting engines, silk materials, pottery, cosmetics, laundry detergent, and so on. Many of our goods have crossed the ocean and entered capitalist markets, and thus raised the value of our exported industrial and handicraft products, which accounted for 18 percent of the municipality's total export revenue last year. The overall picture of its industry, small industry, and handicrafts showed that the state-operated sector achieved a growth rate of 9.99 percent and that the nonstate-operated sector, after a period of difficulties and decline, had begun to be revived and last year achieved a growth rate of 2.53 percent.

Considering the fact that, as we said earlier, 1991 was an extremely difficult year, how would we explain the above-mentioned figures? Le Ngoc Hue, head of the Department of Statistics, had this to say: "All of the figures that were made public had been based on scientific calculating methods and checked and proved. If we study them carefully, we will find the reasons behind such figures."

Although the United States still maintains the trade embargo against Vietnam, thanks to our country's open-door and real-renovation policies, many countries have lifted the embargo. In 1991, Australia first and then the European Community (EC) and ASEAN declared lifting the embargo and resumed economic and technical aid to



and direct investment in Vietnam. France actively worked in our favor to assist us in paying our debts to IMF. Holland wrote off part of our debts and for the first time gave aid to Vietnam. Norway and Denmark both declared a resumption of aid to our country. We do not include here the countries that a few years ago had maintained good relations with Vietnam or had resumed aid to Vietnam, such as Sweden, Finland, and Italy. Many international organizations, such as UNICEF, UNDP, and so on, also gave us important aid. EC was developing a financial assistance program to help us resettle the people who had illegally fled the country and have returned. And the foreign investment projects which were issued permits in 1991 were almost equal to the total of such projects in the previous three years, 1988-1990.

In agriculture, although the North suffered from crop damage in the winter-spring season, its tenth-month rice crop was greatly successful. And although the South suffered from flood damages, its winter-spring crop was successful, with the volume of production in the entire year still reaching 14 million tons, an increase of 993,000 tons over 1990. That was the result of the new policy, investment in the material and technical base in the Mekong River delta, and particularly loans granted to farmers. In industry, in 1991, through many sources of supply of capital, many installations in such sectors as textile, ready-made clothing, plastic and rubber wares, food processing, marine and sea products, forest product processing, and so on provided their own capital, modernized equipment, synchronized assembly lines, improved product quality, and diversified their products. In Ho Chi Minh City alone, the value of imported machinery last year amounted to 40 million dollars. That was the precondition for enterprises to make goods for the newly-found market while the old market was being reduced. For instance, the principal customers of the municipality's Union of Ready-Made Clothing Enterprises were now those in the capitalist sector. The normalization of the Vietnam-China relations also created favorable conditions for the across-the-border trade between the two countries to become more active.

Because the state had been stepping up export, it was able to improve the trade balance, particularly regarding various kinds of materials, raw materials, and machinery serving production, with the trade deficit being reduced. In the field of macrocosmic management, in 1991 the state adopted a number of measures and policies aimed at adjusting and revising some of the taxes decreed in the Law on Sales and Special Consumption Taxes, granting tax exemption to units exporting 70 percent of their products, issuing details on implementation of the Law on Foreign Investment in Vietnam and on managing foreign currencies and rates of exchange (these measures were made public at the end of the year), observing procedures having to do with listing debts, paying off debts, and so on. The Corporation Law and Private Enterprise Law were also promulgated. More financial institutions were established, such as the Foreign-Currency Transactions Center, Commercial Credit

Bank, Financial Center, Vietnam Agriculture Bank, and so on. All such activities were aimed at creating a favorable environment for foreigners to feel reassured while investing in Vietnam, as well as encouraging domestic economic elements to put more capital into their business.

As we enter 1992, we cannot forget, of course, that there still are extremely difficult problems which must be resolved before we can stabilize our economy. They are the lack of unanimity and unity regarding policies and implementation of policies among echelons and sectors. They are the lack of firmness and responsiveness regarding solutions adopted for the fight against smuggling and corruption, and to managing gold and dollar prices, paying off debts, dealing with units operating in the red, providing production and business with capital, and so on. Furthermore, we know that although the quality of the majority of Vietnam's industrial goods may be improved, it will still be difficult for them to enter the markets of developed countries unless we have a long-term strategy for investment and development based on our labor strength and on Vietnam's abundance of agricultural, forest, and sea products. In 1992 and the next few years, our main export items will remain crude oil and rice. In addition, whether the United States lifts the trade embargo or not, as the reality of 1991 has pointed out, in 1992 our country will still attract more foreigners coming here to invest. All preparations in regard to the material base, machinery, and people must be urgently accelerated to reduce the loss of people and wealth, which will be damaging for the country.

However, after we have gone through the extremely difficult year of 1991, we have the right to have confidence in our own capabilities and in a future of economic development in 1992 and the coming years.

### **Ho Chi Minh City Trade, Investment Discussed**

*92SE0163H Hanoi TAP CHI THUONG MAI  
in English Jan 92 pp 30, 32*

[Article by Tran Thanh Long of the Municipal Planning Committee]

[Text] From the start of the implementation of the 1991 import-export plan, Ho Chi Minh City has continued to face critical overall hardship. The biggest problem was the shortage of working capital in most economic agencies authorized to deal with direct importation and exportation.

Compared with the planned turnover and capital required for normal operation by these units, the self-invested as well as allocated capital failed to reach 10 percent of the needed capital.

Along with those difficulties, there were others that substantially affected the result of import-export operations of the city such as inappropriate machinism, repeatedly changing and unsynchronous policies....

The import-export license issuing system pursuant to business areas and different commodities during the early months of the year has hindered economic activities and dissipated capital of several enterprises.

There were, in addition, unreasonable repeats in import-export taxation coincidences occasionally causing several tax payments imposed on the same export product plus the delay in issuing export-import quotas for certain commodities till the end of April and along with them was the dollar upheaval.

Nevertheless, the city's economic units dealing with direct import-export business have aggressively found their way out and carried out successfully the business norm of the 1991 import-export plan.

By the end of November 1991, the export sector reached 305.5 million USD and by year end, it is estimated that the total norm for the devised plan will be accomplished.

With the achieved turnover, the city's portion has accounted for 50 percent of the total export turnover of various localities of the whole country and 18 percent of the total nationwide exported goods turnover during the same period. In the exported goods sector, this year has seen remarkable changes. Agricultural products and processed goods accounted for 40.3 percent in which frozen meat took nearly 20 percent of export turnover of this group. In separate accounting, Vissan's frozen meat export turnover reached 9 percent of the city's total export turnover while sea products took 25 percent; forestry products and pharmaceutical products 12 percent; industrial and handicraft goods (including labor-paid processed goods) 22.3 percent.

In previous years, the usual proportion of agricultural and sea products, including processed goods accounted for 75 to 78 percent of the total export turnover while the industrial and handicraft goods usually took 8 to 10 percent. At the time being, the remarkable change was that this group of products has increased from 10 percent per year to 22 percent of the city's total export turnover while in the nationwide export proportion, it has substantially declined as an aftermath of the loss of previous traditional markets. This reflects the aggressiveness and remarkable emergence in view of production planning, fruitful result of the search and expansion of industrial and handicraft markets by the city during the past months.

Several commodities of ready-made clothing, footwear from various enterprises like Minh Phung, clothing firm No 2 & 3, Legamax under authority of the industrial Directorate, Go Vap clothing factory and third district clothing firm, footwears of various kinds from Bitis firm... have all enriched the quantity of exported goods in export industry. By creating several handicraft & industrial commodities for export with stabilized market, a big prospect has been opened for the solution of employment helping a large bulk of labor force with

stabilized and rather high income and at the same time creating a precedent for the reform and furnishing new technology to industry.

The city's revenue in foreign currency through various services operations during eleven months of the year reached 15 percent increases at 80 million USD as compared to that of the same period last year.

The estimated travellers' trips in 1991 were over 600,000 in which 150,000 were made by international visitors, equivalent to 110 percent as compared to the figure of the same period of 1990.

Import activities reached 290 million USD by the end of November, comprising raw materials, supplies to production at 61 percent, new equipments and renewal of technology at 13.5 percent. Some imported items to big turnover such as petroleum, fertilizer, textile, plastic, industrial chemicals, wheat flour.... In general, the city's import activities have given timely response in production operations in the aim of carrying out various objectives of the city's socio-economic project.

During the past year, various import-export firms of the city have, by different means, used their self-invested capitals, foreign-loaned capital, or joint ventured with foreign companies in creating new export products for 1991 while making preparation for 1992 and the years to come by, for example, cooperating with PAN VIET company in enlarging area for planting banana for export by tissue-transplanting process in Hoc Mon, for planting yellow-leaf tobacco to meet production needs and for export. The firms also joint-ventured with Taiwan to breed ducks and process their meat on a large scale, to equip additional apparatus for clothing production line in order to manufacture clothes for labor remuneration and for export including embroidered clothing. Bitis company joint ventured with Taiwan to assemble a chain production line to manufacture footwear at the product consumption function of Taiwan, equipped refrigeration chain of fruits and vegetables, enlarged the production plant to process salted ginger for export on a large scale up to a few thousand tons per year, joint ventured in manufacturing pigskin, cowhide into leather for export including original planting of rubber and coffee in suburban areas and joint-ventured with other provinces.

The investment and joint venture in above-mentioned new areas have been preparatory steps aiming at enriching export commodities variety of the city and facilitating conditions for increasing export turnover in 1992 and ensuing years.

In preparation for foreign trade in 1992 particularly in regard to import-export business, the Resolution made by the Fifth Party Convention of the city indicated that the average growth of the 1991-95 five-year import-export plan should be 16 to 21 percent, and the increase ratio in the foreign currency services bloc is expected at 21 to 25 percent per year.

In order to carry out the foregoing growth objectives the main responsibility of the city in import-export business in 1992 would be to concentrate investment in creating additional export commodity sources in the city in which appropriate attention should be given to broadening and developing handicraft and industrial goods, made-for-remuneration commodities on foreign contracts, agricultural and aqua-sea products in suburban districts.

The expected increase of 1992 total export turnover is 26.4 percent as compared to that of 1991 in which the direct export goods increase takes 21 percent and the foreign currency to be collected from the services bloc is expected to increase by 32 percent as compared to that of 1991.

In view of export, it is expected that the agricultural, processed agricultural foods would take 39.5 percent, aqua-sea products at 22-23 percent, industrial and handicraft at 25-26 percent of the total direct export turnover and the remaining percentage belongs to forestry and pharmaceutical products.

The 1992 import norm would also increase by 22 percent compared to that of 1991.

The objectives of the 1992 import-export plan devised in the face of the complex and contingent situation of world market and difficulties of domestic economy and of the city itself would certainly require economic units dealing with direct import-export business to be more aggressive and flexible in order to find out measures and solutions for their difficulties at the same time there is necessity for a timely clearance of problems regarding mechanism, policy from central authority.

The main measures serving the realisation of foregoing objectives should be:

- Re-arrange the direct import-export units in the orientation of brokerage reduction, allow units undertaking direct manufacture to deal with import-export business with their own products thus creating favorable conditions for manufacturing units to get in closer touch with markets.

In this way, certain powerful companies in terms of import-export efficiency would come into being to promote foreign trade activities.

- Continue to carry out seriously the transfer of capital to economic units in accordance with Directive No 326/HDBT so that they could handle their operations actively. Overhaul all import-export units of their capital sources and create additional working fund for certain core units of the city to ensure adequate working capital as stipulated by central authority.

Resolutely re-arrange units that suffered business losses.

- Make utmost contrivance in winning foreign cooperation through various forms like: joint venture, labor

paid manufacturing for export, international services... and speed up preparation of investment projects in favor of active appeal for direct investment funds.

- Make larger expansion in exploitation of tourist potentials, foreign currency collected services such as overseas transport, post and telecommunications, shipping operations, research and organizing petroleum services.

- With regard to market, special attention should be given to the research, marketing and broadening of market for each group of commodities, products that various production sectors have created in more and more extensive forms. Spare no effort to enlarge direct barter with various manufacturing firms and business enterprises from highly potential republics such as Republic of Russia, Ukraine, Belarus, Uzbekistan...

Build up the import-export volume with the three Southern provinces of China mainland through services of temporarily imported materials for export...

Expand direct trade with Japanese, Taiwanese, South Korean, Australian markets particularly on agricultural, industrial and handicraft commodities. Continue direct transactions with the markets of the East European bloc such as Poland, Hungary, Czechoslovakia for the sale of the previously organized goods. Arrange to have direct trade transactions with a few South East Asian nations like Indonesia, Malaysia, Thailand, Philippines. Step by step, set foot in the market of North West Europe, of European Community nations for the sale of Woollen clothing, footwear handbags of different kinds of high quality made of simulated leather...

Finally, importation should be closely attached to export commodity producing programs. Concentrate abilities in serving the demands of production development; renovate equipments and technologies to upgrade product quality so that the manufactured goods are able to enter competition in world market in substitution for imported goods in local markets.

The successful implementation of the norms of the 1992 import-export plan would remarkably contribute to the realisation of the 1992 socio-economic development project of Ho Chi Minh City and at the same time create favorable conditions for the implementation of the objectives of the five year 1991-1995 import-export project aiming at advancing the city's overall development forward in the general plan.

#### Article Discusses Hanoi Import-Export Activities

92SE01631 Hanoi TAP CHI THUONG MAI in English Jan 92 pp 31, 32

[Article by Pham Ngoc Tuan]

[Text] In 1991, Hanoi city reached the estimated export turnover of 60 million USD and 3 million Roubles, and

its import value was 23 million USD, respectively equivalent to 74 percent and 44 percent as compared to the achieved norm of 1990.

During the early months of the year when traditional customers (mainly the Soviet Union) ceased to implement protocols already signed and East European nations unilaterally abolished business contacts under development with their values reaching over 60 percent of the total turnover, the activity of Hanoi's import-export business appeared to be stalled.

After so many years enjoying favor in the "protocol mechanism" in which most of the trade business was to pay debt in the form of goods, there came into existence a heavy dependence on certain limited markets, a poor variety of goods, mainly at medium and low quality, with unsynchronous invested equipment, with low technical level and usually advance funds or loans at favored interest rate... at the same time creating a dependent style of doing business regardless of market demand.

Realizing this weakness, at the early days of the year when the whole country began to switch over to the new mechanism of import and export, Hanoi has taken realistic measures to put exportation and importation in market operation step by step.

—Establishing new import-export organisations in adaptation to free market mechanism.

The Association of Import-Export Agricultural-Forestry Products and Pharmaceuticals came into existence, with three additional units for direct import and export totaling 14 units of this kind under municipal management out of which five units were well assessed in 1991: Hanoi Import-Export Union, Hanoi South Import-Export Company, Union of Handicraft Production and Import-Export, Hanoi Electronic Company, Anh Sao Electronic Company. Nine units given permission to do import-export business on shipment basis, have made the most of every opportunity for overseas marketing through trade fairs, expositions and joint-venture activities.

Typical are Construction Materials Supply Company, Union of Pharmaceuticals Enterprises, and Tu Liem General Trade Business Company.

—Finding new markets for commodities of high quality standard.

Those are thick woollen carpets exported to Italy and Yugoslavia, fine art handicrafts to Australia and Hong Kong, shirts, weather proof jackets, textile to West Germany, overcoats to South Korea, leather shoes to Algeria, needle-knitted clothing to Japan...

Thanks to this, Hanoi has succeeded in checking the downfall of export turnover of these commodities in 1991, thus creating employment for the abundant, skilled, workforce in sectors of business that does not require large investment funds. In addition, the export commodities within quota such as round timber, sawn

timber, coffee, rubber, corn have increased double as much as compared to the volume of 1990.

—Producing new commodities upon market demands to stabilize market and source of goods.

In this orientation, a few joint venture companies with foreign investment have gone into action with complete products consumption to be made by the foreign side. They are joint venture with Japan producing socks, with South Korean producing bamboo chopsticks, wigs, sliced rocks. Unimex's mushrooms have also been widely ordered by several foreign customers. A lot of export commodities have been restored in production such as: processed cattle hide, rattan, cinnamon...

—Another new business process emerging in import-export activities of 1991 was the exportation of non-trading commodities. According to the statistics of Hanoi Customs, these commodities going through Noi Bai port this year was valued at 45 million USD, in which 20 million USD belongs to Hanoi city, chiefly being clothing, needle-knitted bodywear and certain kinds of consumer goods. The main market, where Vietnam has had business difficulty with are Soviet Union, Poland, Czechoslovakia, Hungary.

—In addition, it should be mentioned of the results of the implementation of barter and debt-paying protocols with the Soviet Union, comprising 200,000 m2 of jute carpets, 40,000 m2 of woollen carpets and 1.3 million USD worth of bicycle accessories. With regard to China market, Hanoi has missed several opportunities. Not until July, could a unit of the city be granted a license for direct business dealing, only to reach a turnover of 629,000 USD. The main exported goods were raw materials such as rubber, textile, sliced manioc (tapioca) and imported goods were construction materials, oriental medicines, office supplies. Nearly one million USD worth of fine art handicraft goods exported to Laos in 1991 was not meant to be the total demand of this market.

—The import figure, though remained low as compared to the 1990 value but reflected an orientation to achieve production development. New equipments, replacement parts and raw materials valued at the rim of 70 percent import turnover has helped a few branches of production in the city to maintain stabilisation.

In 1991, Hanoi continued to be involved in some unsolved problems:

—Machines and equipments for production are mostly backward, unsynchronous.

This has clearly incarnated the substantial decline of export turnover by the directorate of industry in the past year with only 2.6 million USD and 0.8 million Roubles, accounting for 5 percent of Hanoi's total export turnover as compared to 25 percent of previous years' value.

—The administration capacity in import-export business of several sectors and units remains at low level and lack of aggressiveness.

At the dawn of the year, when the import-export business mechanism entered reform, several units proved to be perplexed failing to sign purchasing and production contracts resulting in diminishment of business scope and loss of customers in some case, the quota was taken by another unit as a result of slow progress in the process of signing contract.

The cooperation between different import-export units was pretty loose, causing brokerage exportation through some agencies of the central government.

—Hanoi needs more active support from various ministries and central sectors.

In 1991, the import quota for in-place exportation and license for direct barter with China were granted pretty late by the Ministry of Commerce and Tourism while there was restriction of quota for export to the Zone 2 market, and exchange ratio for payment against exported goods to the Soviet Union was too low (the jute carpet, for example, to be exported, was indicated at 6,000 dong/USD by liquidation of the Finance Ministry while the real market price was 11,954 dong/USD)...

In preparation for the implementation of the 1992 objectives to reach 71 million USD on export and 66 million USD on import, Hanoi has proposed 5 measures as follows:

1) Continue to consolidate the activities of direct import-export organisations, trip import-export, export associations...

2) Concentrate technological investment, material supplies to create a stabilized source of commodity.

Priority No 1: Replenish shirt collar press and certain sewing equipments valued at 800,000 USD to X-40 garments factory so as to obtain 4 to 5 million finished products per year for export and equipments of steaming, shrinkage control to the needle knitting factory.

Priority No 2: Invest 200,000 USD for the purchase of sole spraying, pressing equipments for Thuong Dinh soft footwear factory to obtain the productivity of 4 to 5 million pairs per year for export and 500,000 USD for the mini production chain of Hanoi footwear factory.

The biggest problem of these projects is foreign currency. For some projects, Vietnamese currency has been loaned by the municipal funds but the problem was where exchange it for foreign currency.

With the higher and higher increase of current exchange ratio plus banking interest recently heaved up, the question has become a real burden for the enterprises.

Unimex Company agreed to invest and cover the complete consumption of finished products for at least 3 commodities of garment, knitted clothing and ceramics.

The electronic business branch has been continuing to improve assembly line to reach 10 million USD/year for fulfilling a re-export contract for shipment to Soviet Union market.

3) In view of market:

Get ahold of traditional customers through various new forms: direct exportation and importation, barter, labor-paid manufacture, non-commercial export...

Set food in EC market step by step, expand market to China to heave up the barter value to 6 million USD in 1992 and actively adapt to South East Asian market.

4) Bring in-place export activity and foreign currency collecting services back to the level of previous years.

The problems of 1991 should be considered useful lessons for Hanoi's import-export business to find out an appropriate orientation for 1992.

### Discussion on Mineral Resources Exploitation

92SE0163F Hanoi VIETNAM COURIER in English  
Dec 91 p 14

[Article by Nguyen Khac Vinh, director of the Institute of Mineralogy]

[Text] Vietnam occupies a rather original geographical and geological position as it lies in the adjacent part between the ocean and the continent, and right at the intersection of two major bio-mineral formation belts of the Pacific Ocean and the Mediterranean Sea. Vietnam is a tropical country strongly influenced by monsoon which would cause much change in its climate. It should be said that geological researches and surveys have been conducted in our country for a not yet long period of time, only some 35 years with rather limited means and equipment. But in spite of all that, we have been able to discover as many as 3,500 locations and mines of more than 80 substances classified as minerals of which 30 are being extracted or under exploitation.

We expect to discover more mineral deposits in our country in the coming years when adequate investments can be made in the survey and evaluation of our mineral resources.

### Energy-yielding Minerals

Coal is a mineral which has been for a long time now an object of survey and appraisal. Coal formation in Vietnam was divided into eight long periods spreading over from the Early and Middle Pleistocene to the Quaternary. Anthracite—a very hard kind of coal formed in the late Tertiary period—is found in the coal-mining area of Quang Ninh Province with an estimated reserve of 6.5 billion tonnes. With such a big

reserve, it would be possible to extract every year dozens of millions of tonnes for home consumption and for export. Lignite—a kind of soft brownish coal—has been discovered in the Red River delta with a big reserve estimated to reach hundreds of billions of tonnes. This constitutes an important amount of coal kept for the country's use at present and in the future. Vietnam also possesses fat coal but with a not big reserve approximately 40 million tonnes, which could not even meet the requirements of home production. As for peat, its reserve is estimated at about half a billion tonnes. For the past ten years, the exploration of oil and natural gas in Vietnam's continental shelf has been stepped up and has brought about satisfactory results. Our oil and natural gas industry will surely occupy a worthy position as an important economic branch.

#### **Metallic Minerals**

Hundreds of iron-ore mines and locations have been discovered with a total reserve estimated at more than one billion tonnes, which gives Vietnam the thirteenth rank in the world. Following are some Vietnamese iron mines: The Thach Khe mine which contains the biggest deposit with a reserve amounting to over 600 million tonnes, the Quy Xa mine with a reserve exceeding 100 million tonnes. Besides, there are locations of degenerate iron ores originating from degenerate rocks lying along the right bank of the Red River with a reserve of over 70 million tonnes. With the big reserves of iron ores already explored and estimated, it would be quite feasible to extract millions of tonnes per year to meet the requirements of major steel making projects in the coming period.

Along the 3,000-km coastal line of Vietnam, the geologists have discovered a lot of titanium mines with a reserve estimated at over 15 million tonnes of ilmenite and half a million tonnes of Zirconium thus placing Vietnam in the seventh rank in the world. These minerals have been extracted and processed to be supplied to the mechanical engineering and chemical branches and to export organizations as well.

Vietnam ranks eighth in the world as far as the extraction of manganese is concerned. The manganese mines in the country boast a total reserve of 5 million tonnes. Chromium ores have also been discovered in many localities with a total reserve of 21 million tonnes of chromium oxide thanks to that Vietnam holds the third rank in the world after South Africa and the Soviet Union.

Copper ores are available in big quantities in Vietnam, approximately 600,000 tonnes. To be noted here are the copper-rare earths mine in Lao Cai Province and the copper-nickel mine in Son La Province.

Lead and zinc ores have also been found in the areas of Chiem Hoa and Phu Hoat, along the banks of the Da River in Northern Vietnam and also in Da Lat in Southern Vietnam. It has been calculated that the reserves of lead and zinc in Cho Dien mine, Bac Thai Province, would amount to nearly half a million tonnes

of which there are about 200,000 tonnes of sulphur ores and 300,000 tonnes of oxide ores.

Vietnam's territory lies in the bio-mineral tin belt of the Pacific Ocean, so the geologists have paid special attention to researches into the tin-wolfram ores. Many promising tin-containing areas in Cao Bang, Ha Tuyen, Bac Thai, Nghe-Tinh, and Lam Dong Provinces have been discovered with reserves estimated at over 200,000 tonnes of cassiterite and over 100,000 tonnes of wolfram oxide, thus placing Vietnam in the eighth rank in the world. It is to be noted that there is still a reserve of bismuth mixed in tin ores.

Gold ores have been found in scattered places in Vietnam, particularly in sulphur-quartz or gold-silver forms in Lang Son Province. Vietnam's reserve of gold is estimated at about 100 tonnes.

Bauxite is found in the state of mixture with limestone along the Vietnam-China border with an estimated reserve of over 100 million tonnes, which makes Vietnam rank third in the world after Guinea and Australia.

Rare earths are located mainly in Phong Tho and Lai Chau areas with an estimated reserve of over 9 million tonnes and Vietnam ranks second in the world after China.

#### **Non-metallic Minerals**

Vietnam has many kinds and categories: Phosphate rock in the service of agriculture is classified into three kinds, namely: apatite, phosphorite and bat's excrement. The apatite reserve in Lao Cai Province is estimated at over 1 billion tonnes, for which Vietnam holds the sixth rank in the world. It has been estimated that a reserve of 3 billion tonnes could be obtained at a depth of 600 metres under ground-level. Reliable materials are available to make projects for extraction of different kinds of phosphate rock with an output of 1.5 million tonnes/year. Other minerals such as pyrites, kaolin, and glass sand could be extracted with an output of hundreds of thousands of tonnes per year.

Vietnam also possesses in its sub-soil more than 30 million tonnes of quartzite, 12 million tonnes of dolomite, 12 million tonnes of graphite, more than 9 million tonnes of fluoride (ranking seventh in the world), nearly 3 million tonnes of baryta and many million tonnes of talc, etc., which may be extracted with an output of tens of thousands of tonnes/year. In recent years, the extraction of precious and semi-precious stones in Vietnam has shown bright prospects. Some mines of gems have been put under exploitation.

We have completed the search for water and discovered nearly 100 locations where underground sources of water exist with a total reserve of over 1 million cubic metres per day for grade A + B and over 13 million cubic metres per day for grade C1 + C2. This makes it possible to meet

the increasing needs for water of industrial and agricultural installations and of the population as well. Nearly 400 mineral and thermal springs have been discovered, among them many have been put into use for the benefit of the people's welfare.

### **Steady Rise in Seafood Exports Noted**

*92SE0163G Hanoi VIETNAM NEWS in English  
2 Jan 92 p 1*

[Text] Vietnam earned \$252 million for seafood exports last year.

In the 10 years from 1980 to 1990 seafood export value increased at a sustained rate, from \$11 million to 205 million. The success was due to better rearing and processing methods. In shrimping, inland farms have almost caught up with trawlers in terms of productivity. In 1985, the catch made in the sea was 50,000 tonnes, almost two times the yield at farms. Five years later, the rate dropped to only 60 percent.

Shrimp farms, which line the coast, expanded from 90,000 hectares in 1985 to 190,000 in 1990. Along with

the expansion in area were efforts to raise yield. New methods were applied in feeding, increasing growth rate 2-2.5 times.

Seafood production develops particularly fast in the southern provinces, which earn almost six times more than the central and northern exporters combined. Indeed, more than half of the some 130 freezing plants are concentrated in the South, where modernization is going on at a faster rate.

Though Vietnam's seafood is exported to 19 Asian, European and American countries, more than half of the amount is sold to Japan where the products are either retailed locally or re-exported to other countries.

Not all the seafood exports are finished products, an official of the Maritime Products Ministry told VIETNAM NEWS. Besides traditional frozen products exporters have for several years now been striving for diversification. Fresh sea crabs are now on sale in Hong Kong and France, for about \$20 per kilo, eight dollars more than for a kilo of frozen crabs.

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